

**EDEN CITY COUNCIL  
REGULAR MEETING AGENDA**

**Council Chambers  
308 E. Stadium Drive  
February 19, 2019  
6:00 p.m.**

1. Meeting called to order by: Neville Hall, Mayor
2. Invocation: Pastor Buddy Reed, Central Christian Church
3. Pledge of Allegiance: Led by Fire Chief Tommy Underwood
4. Proclamations & Presentations:
  - a. Proclamation: Black History Month.
  - b. Eden Youth Council Kickball Tournament update. **Cody Dunn, Eden Youth Council Chair**
  - c. Annual report from the Strategic Planning Commission. **Dana Weston, Strategic Planning Commission Chair**
5. Roll Call:
6. Set Meeting Agenda:
7. Public Hearings:
  - a. Consideration and approval of an installment purchase contract for General Fund projects: splash pad, resurface tennis courts, Matrimony Creek Phase II, Klyce Street & Draper Landing, Stadium Drive sidewalk match and street resurfacing; and, adoption of the BB&T Governmental Finance Agreement, the BB&T Governmental Finance Resolution, and the Local Government Commission's Findings Resolution. **Tammie McMichael, Director of Finance and Human Resources**
  - b. (1) Consideration of a zoning map amendment request and adoption of an Ordinance to rezone property at 354 W. Meadow Road from Office & Institutional to Business-General. Submitted by Riverbluff Properties, LLC, Property Owners. ZONING CASE Z-19-01. **Kelly Stultz, Director of Planning & Inspections**  
  
(2) Consideration of a Resolution adopting a statement of consistency regarding the proposed map amendment request to rezone property at 354 W. Meadow Road from Office & Institutional to Business-General. **Kelly Stultz, Director of Planning & Inspections**
  - c. (1) Consideration of a zoning text amendment request to amend Section 11.29(a) Definitions to include a definition for Disabled Motor Vehicles and to amend Section 11.22 General Provisions to include provisions pertaining to the regulation of Disabled Motor Vehicles. Submitted by the Planning Board. ZONING CASE Z-18-06. **Kelly Stultz, Director of Planning & Inspections**  
  
(2) Consideration of a Resolution adopting a statement of consistency regarding the proposed text amendment request to amend Section 11.29(a) Definitions to include a definition for Disabled Motor Vehicles and to amend Section 11.22 General Provisions to include provisions pertaining to the regulation of Disabled Motor Vehicles. **Kelly Stultz, Director of Planning & Inspections**

8. Requests and Petitions of Citizens:

9. Unfinished Business:

- a. Consideration of 2019 Boards and Commissions appointments. **Kelly Stultz, Director of Planning & Inspections**

10. New Business:

- a. Request to approve Strategic Plan funding to pave the Leaksville Landing parking lot. **Johnny Farmer, Director of Parks & Recreation**
- b. Request to approve Strategic Plan funding for contracts with WGSR TV, CTT Productions and Irving Farms Landscape, a Spring Grown & Gathered, a tourism brochure, social media promotions and a mural. **Cindy Adams, Coordinator of Tourism & Special Events/Projects and Randy Hunt, Main Street Manager**

11. Reports from Staff:

- a. City Manager's Report. **Brad Corcoran, City Manager**

12. Consent Agenda:

- a. Approval and adoption of January 15, 2019 Minutes. **Deanna Hunt, City Clerk**
- b. Approval and adoption of a Resolution in favor of accepting a Rural Authority Grant. **Mike Dougherty, Director of Economic Development**
- c. Approval of a traffic study recommendation and adoption of Ordinances regulating the speed limit and stop signs on Nantucket Drive, Portsmouth Drive and Lennox Drive. **Greg Light, Police Chief**
- d. Consideration and approval of water and sewer flat rates for 10" meters. **Tammie McMichael, Director of Finance and Human Resources**
- e. Consideration and approval of uncollectible Code Enforcement fees. **Erin Gilley, City Attorney**
- f. Consideration and approval of proposed booster pump station replacement by Dan River Water, Inc. on NC 700. **Bev O'Dell, Director of Engineering**
- g. Approval and adoption of a Resolution declaring surplus equipment. **Paul Dishmon, Director of Municipal Services**
- h. Approval of a traffic study recommendation and adoption of Ordinances regulating parking and stop signs in the Bridge Street Municipal Parking Lot. **Greg Light, Police Chief**

13. Announcements:

14. Adjourn:



## **BLACK HISTORY MONTH PROCLAMATION**

**WHEREAS**, during Black History Month, we celebrate the many achievements and contributions made by African Americans to our economic, cultural, spiritual, and political development; and

**WHEREAS**, this annual observance is an opportunity to remember the challenges of our past, but also to honor countless African American heroes who inspire us to shape our country's future, and

**WHEREAS**, we remember and celebrate the lives of Harriet Tubman, Frederick Douglass, George Washington Carver, Martin Luther King, Jr., Rosa Parks, and countless other African Americans who triumphed over ignorance, oppression, and injustice to make indelible contributions to our American history. They are an integral part of our Nation's story. We are indebted to the individual and collective perseverance and patriotism of these outstanding men and women;

**WHEREAS**, during Black History Month, we recommit to being a community of opportunity and hope for every citizen;

**NOW, THEREFORE**, I, Neville Hall, Mayor of the City of Eden, do hereby proclaim the month of February 2019 to be

### **BLACK HISTORY MONTH**

in the City of Eden and encourage all City of Eden residents to join me in celebrating the collective ingenuity, creativity, cultures and traditions of African Americans and commit ourselves to raise awareness and appreciation of Black History Month by participating in educational events honoring the contributions of Black Americans.

Presented this 19<sup>th</sup> day of February, 2019.

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Neville Hall  
Mayor

ATTEST:

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Deanna Hunt  
City Clerk



## MEMORANDUM

**To:** Honorable Mayor and City Council

**Thru:** Brad Corcoran, City Manager

**From:** Tammie B. McMichael, Director of Finance and Personnel

**Date:** February 19, 2019

**Subject:** General Fund Projects: Splash Pad, Resurface Tennis Courts, Matrimony Creek Phase II, Klyce Street & Draper Landing, Stadium Drive Sidewalk Match, and Street Resurfacing Projects Financing

The City needs to proceed with private placement financing for the Street Resurfacing Projects.

On December 19, 2018, I sent out a Request for Proposals to several banks. We received proposals from BB&T Governmental Finance and United Financial/Home Trust Bank. BB&T Governmental Finance offered the lowest rate.

The installment purchase financing is preferable due to the reasonable upfront cost, and the shorter time frame to complete. BB&T Governmental Finance has met all contract specifications. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the payments are amortized over 15 years at an interest rate not to exceed 3.63%, yielding annual payment of \$82,871.44. It is anticipated that the payments will be paid through general fund revenues.

The Local Government Commission requires the Governing Body to approve and adopt a Findings Resolution relating to the proposed contract. The resolution authorizes the Finance Officer to act on behalf of the City of Eden in filing an application with the North Carolina Local Government Commission for approval of the project and the proposed financing contract and other actions not inconsistent with this resolution.

Given all the different criteria, it is staff's recommendation that Council approve and adopt the BB&T Governmental Finance Agreement, the BB&T Governmental Finance Resolution, and the Local Government Commission's Findings Resolution.

If you have any further questions, please do not hesitate to ask.

Prepared by and  
return after recording to:

Branch Banking and Trust Company  
Attention: Governmental Finance  
5130 Parkway Plaza Boulevard  
Charlotte, NC 28217

**FINANCING AGREEMENT AND DEED OF TRUST**

**STATE OF NORTH CAROLINA                    )**       **COLLATERAL IS OR**  
  )**)**       **INCLUDES FIXTURES**  
**COUNTY OF ROCKINGHAM                    )**

**THIS FINANCING AGREEMENT AND DEED OF TRUST** (this “Contract”) is dated as of March \_\_, 2019, and is granted by the **CITY OF EDEN, NORTH CAROLINA**, a political subdivision of the State of North Carolina (the “Borrower”), to BB&T Collateral Service Corporation, a North Carolina business corporation (the “Deed of Trust Trustee”), for the benefit of **BRANCH BANKING AND TRUST COMPANY** (“BB&T”).

**RECITALS:**

The Borrower has the power, pursuant to Section 160A-20 of the North Carolina General Statutes, to enter into installment contracts to finance or refinance the purchase or improvement of real or personal property, and to secure its obligations under such contracts by security interests in all or a portion of the property purchased or improved. This Contract provides for BB&T to advance \$945,700 to the Borrower to enable the Borrower to finance (a) resurfacing of a tennis court at the Bridge Street Recreation Center, (b) construction of splash pad a Freedom Park (including restroom/dressing facilities and a concession stand), (c) extension of the greenway/pathway to be known as Matrimony Creek Phase II, (d) Klyce Street and Draper Landing improvements, (e) Stadium Drive improvements, and (f) other street resurfacing projects in the City (collectively, the “Project”), and provides for securing the Borrower’s obligations under this Contract by creating certain security interests in favor of BB&T.

This Contract secures current advances of \$945,700. The current scheduled date for final repayment is on or about \_\_\_\_\_, 2034.

**NOW, THEREFORE,**

(1) in consideration of the execution and delivery of this Contract and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged;

(2) to secure the Borrower's performance of all its covenants under this Contract, including the repayment of amounts advanced and to be advanced, together with interest on all such advances as provided in this Contract or any amendments hereto, and all charges and expenses of collection (including court costs and reasonable attorneys' fees and expenses); and

(3) to charge the Mortgaged Property (as defined below) with such payment and performance,

the Borrower hereby sells, grants and conveys to the Deed of Trust Trustee, its heirs and assigns forever, in trust, with power of sale, the following (collectively, the "Mortgaged Property"):

(a) (i) the site of the portion of Project including the tennis court at the Bridge Street Recreation Center, as more particularly described in Exhibit A, and (ii) all real property hereafter acquired by the Borrower in exchange for, or in consideration of the exchange of, or with the proceeds from any disposition of, all or any part of any property described in this subparagraph, and in all cases together with all easements, rights, liberties, rights-of-way and appurtenances belonging to any such property (collectively, the "Site");

(b) the construction of the splash pad, tennis court, Matrimony Creek Phase II and Klyce Street and Draper Landing improvements and all other improvements and fixtures now or hereafter attached or appurtenant to or used in or on those improvements or the Site, including (i) all renewals and replacements thereof and all additions thereto, (ii) all articles in substitution thereof, (iii) all building materials for construction or repair of such improvements upon their delivery to the Site, and (iv) all proceeds of all the foregoing in whatever form resulting from the loss or disposition of the foregoing, including all proceeds of and unearned premiums for any insurance policies covering the Site and such improvements, proceeds of title insurance and payments related to the exercise of condemnation or eminent domain authority, and all judgments or settlements in lieu of any of the foregoing (the "Facilities"); and

(c) the moneys on deposit from time to time in the Project Fund, as provided in Section 2.02.

**TO HAVE AND TO HOLD** the Mortgaged Property with all privileges and appurtenances thereunto belonging thereto, to the Deed of Trust Trustee, its heirs and assigns forever, upon the trusts, terms and conditions and for the purposes set out below, in fee simple in trust;

**SUBJECT, HOWEVER,** to the Existing Encumbrances (as defined herein);

**BUT THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST:** if the Required Payments (as defined herein) are paid in full in accordance with this Contract, and the

Borrower shall comply with all of the terms, covenants and conditions of this Contract, this conveyance shall be null and void and shall be canceled of record at the Borrower's request and cost, and title shall revert as provided by law.

**BUT IF, HOWEVER, THERE SHALL OCCUR AN EVENT OF DEFAULT UNDER THIS CONTRACT**, then BB&T shall have the remedies provided for in this Contract, including directing the Deed of Trust Trustee to sell the Mortgaged Property under power of sale.

**THE BORROWER COVENANTS AND AGREES** with the Deed of Trust Trustee and BB&T (and their respective heirs, successors and assigns), in consideration of the foregoing, as follows:

## ARTICLE I

### DEFINITIONS; INTERPRETATION

**1.01. Defined Terms.** Unless the context clearly requires otherwise, capitalized terms used in this Contract and not otherwise defined shall have the following meanings:

“Act” means Section 160A-20 of the General Statutes of North Carolina, as amended.

“Additional Payments” means any of BB&T's reasonable and customary fees and expenses related to the transactions contemplated by this Contract, any of BB&T's expenses (including attorneys' fees) in prosecuting or defending any action or proceeding in connection with this Contract, any required license or permit fees, state and local sales and use or ownership taxes or property taxes which BB&T is required to pay as a result of this Contract, inspection and re-inspection fees, and any other amounts payable by the Borrower (or paid by BB&T on the Borrower's behalf) as a result of its covenants under this Contract (together with interest that may accrue on any of the above if the Borrower shall fail to pay the same, as set forth in this Contract).

“Amount Advanced” has the meaning assigned in Section 2.02.

“Bond Counsel Opinion” means a written opinion (in form and substance acceptable to BB&T) of an attorney or firm of attorneys chosen by the Borrower acceptable to BB&T.

“Borrower” means the City of Eden, North Carolina.

“Borrower Representative” means the Borrower's finance officer, investment officer or such other person or persons at the time designated, by a written certificate furnished to BB&T in the form of Exhibit D attached hereto and signed on the Borrower's behalf by the presiding officer of the Governing Board, to act on the Borrower's behalf for any purpose (or any specified purpose) under this Contract.

“Budget Officer” means the Borrower's officer from time to time charged with preparing the Borrower's draft budget as initially submitted to the Governing Board for its consideration.

“Business Day” means any day on which banks in the State are not by law authorized or required to remain closed.

“Closing Date” means the date on which this Contract is first executed and delivered by the parties.

“Code” means the Internal Revenue Code of 1986, as amended, including regulations, rulings and revenue procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended, as applicable to the Borrower’s obligations under this Contract and all proposed (including temporary) regulations which, if adopted in the form proposed, would apply to such obligations. Reference to any specific Code provision shall be deemed to include any successor provisions thereto.

“Construction Agreements” means any contracts with contractors related to the construction of the Facilities, and all amendments, revisions or modifications of such contracts, in all cases whether now existing or entered into later.

“Enforcement Limitation” means the provisions of the Act that provides that no deficiency judgment may be rendered against the Borrower in any action for breach of a contractual obligation incurred under the Act and that the taxing power of the Borrower is not and may not be pledged directly or indirectly to secure any moneys due under this Contract.

“Event of Default” means one or more events of default as defined in Section 9.01.

“Event of Nonappropriation” means any failure by the Governing Board to adopt, by the first day of any Fiscal Year, a budget for the Borrower that includes an appropriation for Required Payments, or the Governing Board’s amendment of the annual budget to remove an appropriation for Required Payments, in each case as contemplated by Section 3.05.

“Existing Encumbrances” means the encumbrances on the Site existing as of the date hereof.

“Finance Director” means the Finance Director of the Borrower.

“Fiscal Year” means the Borrower’s fiscal year beginning July 1, or such other fiscal year as the Borrower may later lawfully establish.

“Governing Board” means the Borrower’s governing board as from time to time constituted.

“Installment Payments” means the payments payable by the Borrower pursuant to Section 3.01.

“LGC” means the North Carolina Local Government Commission.

“Mortgaged Property” means the Mortgaged Property, as defined above.

“Net Proceeds,” when used with respect to any amounts derived from claims made on account of insurance coverages required under this Contract, any condemnation award arising out of the condemnation of all or any portion of the Mortgaged Property, payments on any bonds required by Section 6.03, any amounts recovered from any contractor on an action for default or breach, as described in Section 6.03, or any amounts received in lieu or in settlement of any of the foregoing,



means the amount remaining after deducting from the gross proceeds thereof all expenses (including attorneys' fees and costs) incurred in the collection of such proceeds, and after reimbursement to the Borrower or BB&T for amounts previously expended to remedy the event giving rise to such payment or proceeds.

"Payment Dates" means the dates indicated in Exhibit B.

"Permitted Encumbrances" means, as of any particular time, (a) the Existing Encumbrances, (b) liens for taxes and assessments not then delinquent, (c) this Contract, and (d) easements, rights-of-way and other such minor defects or restrictions as normally exist with respect to property of the same general character as the Mortgaged Property which will not impair the Borrower's intended use of the Mortgaged Property.

"Plans and Specifications" means all plans and specifications for the Facilities prepared by architects, engineers and other consultants.

"Prime Rate" means the interest rate so denominated and set by BB&T (whether or not such bank, or any affiliate thereof, is at any time the beneficiary under this Contract) as its "Prime Rate," as in effect from time to time.

"Project Costs" means all costs of the design, planning, constructing, acquiring, installing and equipping of the Project as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Installment Payments payable by the Borrower under this Contract, including (a) sums required to reimburse the Borrower or its agents for advances made for any such costs, (b) interest during the construction process and for up to six months thereafter, and (c) all costs related to the financing of the Project through this Contract and all related transactions.

"Project Fund" has the meaning assigned in Section 2.02.

"Project" has the meaning assigned in the Recitals hereto.

"Required Payments" means Installment Payments and Additional Payments.

"Section 160A-20" means Section 160A-20 of the North Carolina General Statutes, as amended, or any successor provision of law.

"State" means the State of North Carolina.

**1.02. Interpretation.** All references in this Contract to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Contract. The words "hereof" and "hereunder" and other words of similar import refer to this Contract as a whole and not to any particular Section or other subdivision unless the context indicates otherwise. Words importing the singular number shall include the plural number and vice versa.

## ARTICLE II

### SECURITY PROVIDED BY THIS CONTRACT; ADVANCE;

## OBLIGATIONS OF THE BORROWER

**2.01. Security for Payment and Performance.** This Contract secures the Borrower's payment, as and when the same shall become due and payable, of all Required Payments and the Borrower's timely compliance with all terms, covenants and conditions of this Contract.

**2.02. Advance.** BB&T shall advance \$945,700 (the "Amount Advanced") to the Borrower by making a deposit of \$939,800 (the Amount Advanced less a fee of \$5,900 to be paid directly by BB&T to its legal counsel) on the Closing Date to a Project Fund (the "Project Fund") as provided in Article IV herein, and the Borrower hereby accepts the Amount Advanced from BB&T.

**2.03. UCC Security Agreement.** This Contract is intended as and constitutes a security agreement pursuant to the UCC with respect to all moneys on deposit from time to time in the Project Fund. To secure the Required Payments, the Borrower hereby grants to BB&T a security interest in the moneys on deposit from time to time in the Project Fund.

(b) The Borrower shall allow BB&T to deliver and file, or cause to be filed, in such place or places as may be required by law, financing statements (including any continuation statements required by the UCC or determined by BB&T) in such form as BB&T may reasonably require to perfect and continue the security interest in the moneys on deposit from time to time in the Project Fund.

**2.04. Borrower's Limited Obligation.** (a) THE PARTIES INTEND THAT THIS TRANSACTION COMPLY WITH SECTION 160A-20. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE BORROWER'S FAITH AND CREDIT WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS A DELEGATION OF GOVERNMENTAL POWERS OR AS AN IMPROPER DONATION OR A LENDING OF THE BORROWER'S CREDIT WITHIN THE MEANING OF THE STATE CONSTITUTION. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE BORROWER IN VIOLATION OF SECTION 160A-20. No provision of this Contract shall be construed to pledge or to create a lien on any class or source of the Borrower's moneys (other than the funds held under this Contract), nor shall any provision of this Contract restrict the future issuance of any of the Borrower's bonds or obligations payable from any class or source of the Borrower's moneys (except to the extent this Contract restricts the incurrence of additional obligations secured by the Mortgaged Property). In the event of any conflict between this Section or Section 160A-20, and any other provision of this Contract, this Section and Section 160A-20 take precedence over any other provision of this Contract.

(b) Nothing in this Section is intended to impair or prohibit foreclosure on this Contract if the Required Payments are not paid when due or otherwise upon the occurrence of an Event of Default under this Contract, and in any such event BB&T may request the Deed of Trust Trustee to foreclose on the Mortgaged Property as provided in this Contract.

**2.05. Borrower's Continuing Obligations.** The Borrower shall remain liable for full performance of all its covenants under this Contract (subject to the limitations described in Section 2.04), including payment of all Required Payments, notwithstanding the occurrence of any event or circumstances whatsoever, including any of the following:

- (a) BB&T's waiver of any right granted or remedy available to it;
- (b) The forbearance or extension of time for payment or performance of any obligation under this Contract, whether granted to the Borrower, a subsequent owner of the Facilities or any other person;
- (c) The release of all or part of the Mortgaged Property or the release of any party who assumes all or any part of such performance;
- (d) Any act or omission by BB&T (but this provision does not relieve BB&T of any of its obligations under this Contract);
- (e) The sale of all or any part of the Mortgaged Property; or
- (f) Another party's assumption of the Borrower's obligations under this Contract.

**2.06. Construction Mortgage.** The security interest evidenced hereby is a "construction mortgage" within the meaning of Section 25-9-334 of the North Carolina General Statutes, as amended, or any successor provision.

### ARTICLE III

#### BORROWER'S PAYMENT OBLIGATION AND RELATED MATTERS

**3.01. Installment Payments.** The Borrower shall repay the Amount Advanced by making Installment Payments to BB&T in lawful money of the United States at the times and in the amounts set forth in Exhibit B, except as otherwise provided in this Contract. As indicated in Exhibit B, the Installment Payments reflect the repayment of the Amount Advanced and include designated interest components.

**3.02. Additional Payments.** The Borrower shall pay all Additional Payments on a timely basis directly to the person or entity to which such Additional Payments are owed in lawful money of the United States.

**3.03. Prepayment.** The Borrower may prepay the outstanding principal component of the Amount Advanced, at its option, in whole but not in part, by paying (a) all Additional Payments then due and payable, (b) all interest accrued and unpaid to the prepayment date, and (c) 101% of the outstanding principal amount if such prepayment is made before \_\_\_\_\_, 2026, and 100% of the outstanding principal amount if such prepayment is made on or after \_\_\_\_\_, 2026.

**3.04. Late Payments.** If the Borrower fails to pay any Installment Payment when due, the Borrower shall pay additional interest on the principal component of the late Installment Payment (as permitted by law) at an annual rate equal to the Prime Rate from the original due date.

**3.05. Appropriations.** (a) The Budget Officer shall include in the initial proposal for each of the Borrower's annual budgets the amount of all Installment Payments and estimated Additional Payments coming due during the Fiscal Year to which such budget applies. Notwithstanding that the Budget Officer includes such an appropriation for Required Payments in a proposed budget, the Governing Board may determine not to include such an appropriation in the

Borrower's final budget for such Fiscal Year.

(b) The Finance Director shall deliver notification to BB&T within 15 days after the beginning of each Fiscal Year if an amount equal to the Installment Payments and estimated Additional Payments coming due during the next Fiscal Year has not been appropriated by the Borrower in such budget for such purposes. If such amount has not been so appropriated, the Finance Director shall send a copy of such notification to the LGC, to the attention of its Secretary, at 3200 Atlantic Avenue, Raleigh, NC 27604.

(c) The actions required of the Borrower and its officers pursuant to this Section shall be deemed to be and shall be construed to be in fulfillment of ministerial duties, and it shall be the duty of each and every Borrower official to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the Borrower to carry out and perform the actions required pursuant to this Section and the remainder of this Contract to be carried out and performed by the Borrower.

(d) The Borrower reasonably believes that it can obtain funds sufficient to pay all Required Payments when due.

**3.06. No Abatement.** There shall be no abatement or reduction of the Required Payments for any reason, including, but not limited to, any defense, recoupment, setoff, counterclaim, or any claim (real or imaginary) arising out of or related to the Site or the Project, except as expressly provided in this Contract. The Borrower assumes and shall bear the entire risk of completion, loss and damage to the Site, the Project or the Facilities from any cause whatsoever. The Installment Payments shall be made in all events unless the Borrower's obligation to make Installment Payments is terminated as otherwise provided in this Contract.

**3.07. Interest Rate and Payment Adjustment.** (a) "Rate Adjustment Event" means (i) any action by the Internal Revenue Service (including the delivery of a deficiency notice) or any other federal court or administrative body determining, or (ii) receipt by BB&T of an opinion of nationally recognized bond counsel to the effect, (A) that the interest component of Installment Payments, or any portion thereof, is includable in any beneficiary's gross income for federal income tax purposes or (B) that the Borrower's obligations under this Contract are not "qualified tax-exempt obligations" within the meaning of Code Section 265 (a "265 Event").

(b) Upon any Rate Adjustment Event, (i) the unpaid principal portion of the Amount Advanced shall continue to be payable on dates and in amounts as set forth in Exhibit B, but (ii) the interest components of the Installment Payments shall be recalculated, at an interest rate equal to an annualized interest rate equal to the Prime Rate plus 2% (200 basis points), to the date (retroactively, if need be) determined pursuant to the Rate Adjustment Event to be the date interest first became includable in any beneficiary's gross income for federal income tax purposes (or in the case of a 265 Event, retroactively to the Closing Date).

(c) The Borrower shall pay interest at such adjusted rate (subject to credit for interest previously paid) to each affected beneficiary, notwithstanding the fact that any particular beneficiary may not necessarily be a beneficiary under this Contract on the date of a Rate Adjustment Event. The Borrower shall additionally pay to all affected beneficiaries any interest, penalties or other charges assessed against or payable by such beneficiary and attributable to a Rate Adjustment Event notwithstanding the prior repayment of the entire Amount Advanced or any

transfer to another beneficiary.

## ARTICLE IV

### PROJECT FUND

**4.01. Project Fund.** Pursuant to Section 2.02, on the Closing Date, BB&T shall deposit \$939,800 into the Project Fund, which shall be a special account of the Borrower at Branch Banking and Trust Company to be designated “2019-00022 City of Eden, North Carolina Project Fund”. The Project Fund shall be held separate and apart from all other funds or accounts of the Borrower. The Project Fund is the Borrower’s property, but the Borrower may withdraw amounts on deposit in the Project Fund only as provided herein and only for application from time to time to the payment of Project Costs or otherwise as permitted by Section 4.03 hereof. Pending such application, such amounts shall be subject to a lien and charge in favor of BB&T to secure the Borrower’s obligations hereunder.

**4.02. Requisitions from Project Fund.** The Borrower may withdraw funds from the Project Fund only after authorization from BB&T. BB&T shall authorize the disbursement of funds from the Project Fund only to the Borrower and only upon its receipt of one or more written requisitions in the form set forth in Exhibit C attached hereto signed by one of the designated Borrower Representatives. The Borrower shall submit its signed requisitions in pdf format by electronic transmission at the email address contained in the requisition form.

Upon receipt of a requisition from the Borrower, BB&T shall undertake such review of the matters referred to in such requisition as it shall deem appropriate, and within seven (7) Business Days after such receipt shall notify the Borrower if it does not approve the requisition with the reasons for its disapproval. BB&T has no obligation to make a review and any review by BB&T is only for BB&T’s benefit. BB&T shall not unreasonably withhold payment of any requisition.

**4.03. Disposition of Project Fund Balance.** (a) Promptly after the Project has been completed to the point that the Project is suitable for carrying out substantially all the purposes it is to serve for the Borrower, and the Borrower has withdrawn from the Project Fund all of the funds needed to complete the Project, the Borrower shall deliver to BB&T a written certificate of completion executed by a Borrower Representative stating that (i) the Project has been completed, (ii) there are no mechanic’s or other liens against the Project for labor or materials furnished in connection with the Project, and (iii) no further funds will be requisitioned from the Project Fund to pay Project Costs. BB&T may then withdraw any balance remaining in the Project Fund (and not required to be retained to pay Project Costs incurred but not yet paid) and apply such amount as provided in subsection (d) of this Section.

(b) Upon the occurrence of an Event of Default, BB&T may withdraw any balance remaining in the Project Fund and apply such amount as provided in subsection (d) of this Section.

(c) If (i) more than three years have elapsed from the Closing Date or (ii) at least six months have elapsed from BB&T’s most recent receipt of a requisition for Project Costs, then BB&T, upon 30 days’ notice from BB&T to the Borrower, may withdraw any balance remaining in the Project Fund and apply such amount as provided in subsection (d) of this Section.

(d) BB&T may apply any amounts withdrawn from the Project Fund pursuant to this Section in the following order: (i) to the payment of any Additional Payments then due to BB&T under this Contract, (ii) to the payment of any interest accrued to the Project Fund disposition date that is then due and payable, (iii) to the payment of any principal amount then due and payable, (iv) to the prepayment of principal and accrued interest in accordance with the prepayment provisions of this Contract, and (v) to the payment of future Installment Payments in inverse order of maturity; provided, however, that (1) at the option of BB&T, BB&T may deliver funds held in the Project Fund to the Borrower to be applied to additional Project Costs or future debt service payments, and (2) in no event will BB&T apply any funds in the manner set forth herein if it is advised in an opinion of bond counsel provided by the Borrower that such a use of funds could adversely affect the exclusion from gross income for federal income tax purposes of the interest component of Installment Payments. Any prepayment pursuant to this Section shall not affect any other Borrower payment obligation hereunder. BB&T shall notify the Borrower of any withdrawal from the Project Fund made under this Section, and in the notice shall describe its application of the funds so withdrawn.

**4.04. Investment.** (a) The Borrower and BB&T agree that money in the Project Fund will be continuously invested and reinvested in a public funds money rate savings account, as directed by BB&T, that meets the requirements of Section 159-30 of the General Statutes of North Carolina, as amended.

(b) From and after the date that is three years from the Closing Date, the Borrower and BB&T agree that money in the Project Fund will not be invested at a “yield,” as determined under the Code, in excess of the “yield” on the Borrower’s obligations under this Contract, unless the Borrower has supplied BB&T with an opinion of bond counsel to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes to which the interest components of Installment Payments would otherwise be entitled.

(c) Investment obligations acquired with money in the Project Fund shall be deemed at all times to be part of the Project Fund. The interest accruing thereon and any profit or loss realized upon the disposition or maturity of any such investment shall be credited to or charged against the Project Fund.

(d) All earnings on moneys in the Project Fund shall be used for Project Costs or otherwise applied in accordance with Section 4.03 hereof.

## ARTICLE V

### BORROWER'S COVENANTS, REPRESENTATIONS AND WARRANTIES

**5.01. Warranties of Title.** The Borrower covenants with the Deed of Trust Trustee and BB&T that the Borrower is seized of and has the right to convey the Mortgaged Property in fee simple, that the Mortgaged Property is free and clear of all liens and encumbrances other than the Permitted Encumbrances, that title to the Mortgaged Property is marketable, and that the Borrower will forever warrant and defend title to the Mortgaged Property against the claims of all persons.

**5.02. Indemnification.** To the extent permitted by law, the Borrower shall indemnify, protect and save the Deed of Trust Trustee, BB&T and its officers and directors, and the LGC's members and employees, harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the Mortgaged Property or the transactions contemplated by this Contract, including without limitation the possession, condition, construction or use of the Project or the Facilities. The indemnification arising under this Section shall survive this Contract's termination.

**5.03. Covenant as to Tax Exemption.** (a) The Borrower covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income for federal income taxation purposes of the interest portion of the obligation created by this Contract under Section 103 of the Code. In particular, the Borrower covenants that it will not directly or indirectly use or permit the use of any proceeds of any fund created under this Contract, any funds of the Borrower or any property financed or refinanced with funds provided to the Borrower under this Contract, or otherwise take or omit to take any action, that would cause the obligation created by this Contract to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or a "private activity bond" under Section 141 of the Code. The Borrower will maintain books on which will be recorded (i) BB&T or (ii) any assignee of the Installment Payments due under this Contract, as the registered owner of such Installment Payments. To that end, the Borrower has executed the Use of Proceeds Certificate, dated as of the date hereof (the "Use of Proceeds Certificate"), and will comply with all requirements of Section 141 and Section 148 of the Code to the extent applicable.

(b) The Borrower hereby represents and warrants that its representations and warranties in the Use of Proceeds Certificate with respect to its investment and use of funds provided under this Contract, and its use of any property financed or refinanced with funds provided under this Contract, are true, correct and complete.

(c) Without limiting the generality of the foregoing, the Borrower agrees that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the obligation created by this Contract from time to time. This covenant shall survive the termination of this Contract.

(d) Notwithstanding any provision of this Section, if the Borrower shall provide to BB&T a Bond Counsel Opinion to the effect that any action required under this Section or the Use of Proceeds Certificate is no longer required, or to the effect that some further action is required, to

maintain the exclusion from gross income of the interest on the obligation created by this Contract pursuant to Section 103 of the Code, the Borrower and BB&T may rely conclusively on such opinion in complying with the provisions thereof.

(e) To the extent permitted by law, the Borrower hereby designates and authorizes BB&T and its employees as its agents and attorneys-in-fact of the Borrower for the purpose of preparing and filing with the IRS a form 8038-G (or other form required under Section 149(e) of the Code) with respect to this Contract.

(f) The Borrower acknowledges that its personnel must be familiar with the arbitrage rebate rules because the tax-exempt status of the interest on the Installment Payments depends upon continuing compliance with such rules. The Borrower therefore covenants to take all reasonable action to assure that Borrower personnel responsible for the investment of and accounting for financing proceeds comply with such rules.

(g) The Borrower represents that the aggregate face amount of all tax-exempt obligations issued by the Borrower during the current calendar year does not, and will not, exceed \$10,000,000. The Borrower also represents that it has designated each of the Installment Payments under this Contract as a “qualified tax-exempt obligation” for the purposes of the Code.

**5.04. Validity of Organization and Acts.** The Borrower is validly organized and existing under State law, has full power to enter into this Contract and has duly authorized and has obtained all required approvals and all other necessary acts required prior to the execution and delivery of this Contract. This Contract is a valid, legal and binding obligation of the Borrower.

**5.05. Maintenance of Existence.** The Borrower shall maintain its existence, shall continue to be a local governmental unit of the State, validly organized and existing under State law, and shall not consolidate with or merge into another local governmental unit of the State, or permit one or more other local governmental units of the State to consolidate with or merge into it, unless the local governmental unit thereby resulting assumes the Borrower’s obligations under this Contract.

**5.06. Acquisition of Permits and Approvals.** All permits, consents, approvals or authorizations of all governmental entities and regulatory bodies, and all filings and notices required on the Borrower’s part to have been obtained or completed as of today in connection with the authorization, execution and delivery of this Contract, the consummation of the transactions contemplated hereby and the acquisition and construction of the Project have been obtained and are in full force and effect, and there is no reason why any future required permits, consents, approvals, authorizations or orders cannot be obtained as needed.

**5.07. No Breach of Law or Contract.** Neither the execution and delivery of this Contract nor the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Contract, (a) to the best of the Borrower’s knowledge, constitutes a violation of any provision of law governing the Borrower or (b) results in a breach of the terms, conditions or provisions of any contract, agreement or instrument or order, rule or regulation to which the Borrower is a party or by which the Borrower is bound.

**5.08. No Litigation.** There is no litigation or any governmental administrative proceeding to which the Borrower (or any official thereof in an official capacity) is a party that is pending or, to



the best of the Borrower's knowledge after reasonable investigation, threatened with respect to (a) the Borrower's organization or existence, (b) its authority to execute and deliver this Contract or to comply with the terms of this Contract, (c) the validity or enforceability of this Contract or the transactions contemplated hereby, (d) the title to office of any Governing Board member or any other Borrower officer, (e) any authority or proceedings relating to the Borrower's execution or delivery of this Contract, or (f) the undertaking of the transactions contemplated by this Contract.

**5.09. No Current Default or Violation.** (a) The Borrower is not in violation of any existing law, rule or regulation applicable to it, (b) the Borrower is not in default under any contract, other agreement, order, judgment, decree or other instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets are subject, including this Contract, and (c) no event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including this Contract, which constitutes or which, with notice or lapse of time, or both, would constitute an event of default hereunder or thereunder.

**5.10. No Misrepresentation.** No representation, covenant or warranty by the Borrower in this Contract is false or misleading in any material respect.

**5.11. Environmental Warranties and Indemnification.** (a) The Borrower warrants and represents to BB&T as follows:

(i) The Borrower has no knowledge of, and after reasonable inquiry no reason to believe (A) that any industrial use has been made of the Mortgaged Property, (B) that the Mortgaged Property has been used for the storage, treatment or disposal of chemicals or any wastes or materials that are classified by federal, State or local laws as hazardous or toxic substances, or (C) that any manufacturing, landfilling or chemical production has occurred on the Mortgaged Property.

(ii) The Mortgaged Property is in compliance with all federal, State and local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Public Law No. 96-510, 94 Stat. 2767, 42 USC 9601 *et seq.*, and the Superfund Amendments and Reauthorization Act of 1986, Public Law No. 99-499, 100 Stat. 1613.

(b) To the extent permitted by law, the Borrower shall indemnify and hold BB&T and the Deed of Trust Trustee harmless from and against (i) any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys', consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against the Deed of Trust Trustee or BB&T as a direct or indirect result of any warranty or representation made by the Borrower in subsection (a) above being false or untrue in any material respect, or (ii) any requirement under any law, regulation or ordinance, local, State or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances by the Deed of Trust Trustee, BB&T or the Borrower or any transferee or assignee of the Deed of Trust Trustee, BB&T or the Borrower.

(c) The Borrower's obligations under this Section shall continue in full effect notwithstanding full payment of the Required Payments or foreclosure under this Contract or delivery of a deed in lieu of foreclosure.

**5.12. Further Instruments.** Upon BB&T's request, the Borrower shall execute, acknowledge and deliver such further instruments reasonably necessary or desired by BB&T to carry out more effectively the purposes of this Contract or any other document related to the transactions contemplated hereby, and to subject to the liens and security interests hereof and thereof all or any part of the Mortgaged Property intended to be given or conveyed hereunder or thereunder, whether now given or conveyed or acquired and conveyed subsequent to the date of this Contract.

**5.13. BB&T's Advances for Performance of Borrower's Obligations.** If the Borrower fails to perform any of its obligations under this Contract, BB&T is hereby authorized, but not obligated, to perform such obligation or cause it to be performed. All expenditures incurred by BB&T (including any advancement of funds for payment of taxes, insurance premiums or other costs of maintaining the Mortgaged Property, and any associated legal or other expenses), together with interest thereon at the Prime Rate, shall be secured as Additional Payments under this Contract. The Borrower promises to pay all such amounts to BB&T immediately upon demand.

**5.14. Project Will Be Used and Useful.** The acquisition and construction of the Project is necessary and expedient for the Borrower, and will perform essential functions of the Borrower appropriate for units of local government. The Borrower has an immediate need for, and expects to make immediate use of, the Project, and does not expect such need or use to diminish in any material respect during the term of this Contract. The Project will not be used in any private business or put to any private business use.

**5.15. Financial Information.** (a) The Borrower shall send to BB&T a copy of the Borrower's audited financial statements for each Fiscal Year within 30 days of the Borrower's acceptance of such statements, but in any event within 270 days of the completion of such Fiscal Year.

(b) The Borrower shall furnish BB&T, at such reasonable times as BB&T shall request, all other financial information (including, without limitation, the Borrower's annual budget as submitted or approved) as BB&T may reasonably request. The Borrower shall permit BB&T or its agents and representatives to inspect the Borrower's books and records and make extracts therefrom.

**5.16. Taxes and Other Governmental Charges.** The Borrower shall pay, as Additional Payments, the full amount of all taxes, assessments and other governmental charges lawfully made by any governmental body during the term of this Contract. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Borrower shall be obligated to provide for Additional Payments only for such installments as are required to be paid during the term of this Contract. The Borrower shall not allow any liens for taxes, assessments or governmental charges with respect to the Mortgaged Property or any portion thereof to become delinquent (including, without limitation, any taxes levied upon the Mortgaged Property or any portion thereof which, if not paid, will become a charge on any interest in the Mortgaged Property, including BB&T's interest, or the rentals and revenues derived therefrom or hereunder).

**5.17. Borrower's Insurance.** (a) From and after substantial completion of each principal portion of the Facilities, the Borrower shall, at its own expense, acquire, carry and maintain broad-form extended coverage property damage insurance with respect to all improvements in or on the

Site or otherwise related to the Facilities in an amount equal to the estimated replacement cost of such improvements. Such property damage insurance shall include standard mortgagee coverage in favor of BB&T. The Borrower shall provide evidence of such coverage to BB&T, upon BB&T's request, promptly upon such substantial completion. Any Net Proceeds of the insurance required by this subsection (a) shall be payable as provided in Section 7.09.

(b) To the extent permitted by law, the Borrower shall, at its own expense, acquire, carry and maintain comprehensive general liability insurance in accordance with State statute or as customarily held by similar entities in the State.

(c) If the property (building) secured by this Contract has been determined to be in a "Special Flood Hazard" area, shown on a map published by the Federal Emergency Management Agency (FEMA), the Borrower, at its own expense, must maintain an adequate policy for flood insurance for the life of the loan in compliance with the Flood Disaster Protection Act of 1973 (Federal law). If at any time during the term of this Contract, such portion of the Mortgaged Property is classified by FEMA as being located in a special flood hazard area, flood insurance will be mandatory. Should BB&T become aware of such an event, federal law requires BB&T to notify the Borrower of the reclassification. If, within forty-five (45) days of receipt of notification from BB&T that any portion of the Mortgaged Property has been reclassified by the FEMA as being located in a special flood hazard area, the Borrower has not provided sufficient evidence of flood insurance, BB&T is mandated under federal law to purchase flood insurance on behalf of the Borrower, and any amounts so expended shall, subject to Section 3.05 and the Enforcement Limitation, immediately become debts of the Borrower, shall bear interest at the rate specified in this Contract, and payment thereof shall be secured by this Contract.

(d) The Borrower shall also maintain workers' compensation insurance issued by a responsible carrier authorized under State law to insure the Borrower against liability for compensation under applicable State law as in effect from time to time.

(e) All insurance shall be maintained with generally recognized responsible insurers in accordance with State law and may carry reasonable deductible or risk-retention amounts.

(f) No Borrower agent or employee shall have the power to adjust or settle any property damage loss greater than \$50,000 with respect to the Mortgaged Property, whether or not covered by insurance, without BB&T's prior written consent.

(g) BB&T shall not be responsible for the sufficiency or adequacy of any required insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by BB&T.

(h) Upon request by BB&T, the Borrower shall deliver to BB&T annually a certificate stating the property coverage required by this Contract is in effect, and stating the carrier, policy number and coverage amount.

## ARTICLE VI

### TERMS OF CONSTRUCTION

**6.01. Construction; Changes.** (a) The Borrower shall comply with the provisions of Article 8 of Chapter 143 of the North Carolina General Statutes and enter into the Construction Agreements. The Borrower shall cause the construction to be carried on continuously in accordance with the Plans and Specifications and all applicable State and local laws and regulations. The Borrower shall cause the Facilities to be constructed on the Site and shall insure (i) that the Facilities do not encroach upon nor overhang any easement or right-of-way and (ii) that the Facilities, when erected, will be wholly within any applicable building restriction lines, however established, and will not violate applicable use or other restrictions contained in prior conveyances or applicable protective covenants or restrictions. The Borrower shall cause all utility lines, septic systems and streets serving the Site to be completed in accordance with health department standards and other applicable regulations of any governmental agency having jurisdiction.

(b) The Borrower may approve changes to the Plans and Specifications and the Construction Agreements in its discretion except that the Borrower may not, without BB&T's consent, approve any changes which (i) result in the Facilities' use for purposes substantially different than essential services of the Borrower or (ii) which increase total estimated Project Costs beyond amounts previously identified and designated unless duly approved and funded through appropriations by the Governing Board.

**6.02. Construction within Funds Available.** The Borrower represents that, based upon its examination of the Site and of the Plans and Specifications, estimated construction and equipment costs provided by licensed architects and engineers and the Facilities' anticipated configuration, the Facilities can be constructed, acquired and equipped for a total price within the total amount of funds to be available therefore in the Project Fund, income anticipated to be derived from the investment thereof and other funds previously identified and designated for such purposes. If the total amount available for such purposes in the Project Fund shall be insufficient to pay the entire cost of constructing, acquiring and equipping the Facilities, the Borrower promises to pay any such excess costs, with no resulting reduction or offset in the amounts otherwise payable by the Borrower under this Contract.

**6.03. Contractors' Performance and Payment Bonds.** The Borrower shall require each contractor entering into a Construction Agreement to furnish a performance bond and a separate labor and material payment bond as required by Article 3, Chapter 44A of the North Carolina General Statutes.

Upon any material default by a contractor under any Construction Agreement, or upon any material breach of warranty with respect to any materials, workmanship or performance, the Borrower shall promptly proceed, either separately or in conjunction with others, to pursue diligently its remedies against such contractor or against the surety of any bond securing the performance of such Construction Agreement.

**6.04. Contractors' General Public Liability and Property Damage Insurance.** To the extent mandated by State and local requirements (and in amounts required thereby), the Borrower shall require each contractor entering into a Construction Agreement to procure and maintain standard form (a) comprehensive general public liability and property damage insurance, at such

contractor's own cost and expense, during the duration of such contractor's construction contract, and (b) comprehensive automobile liability insurance on owned, hired and non-owned vehicles. Such insurance shall provide protection from all claims for bodily injury, including death, property damage and contractual liability, products/completed operations, broad form property damage and XCU (explosive, collapse and underground damage), where applicable.

**6.05. Contractors' Builder's Risk Completed Value Insurance.** To the extent mandated by State and local requirements, the Borrower shall require each contractor entering into a Construction Agreement to purchase and maintain property insurance (builder's risk) upon all construction, acquisition, installation and equipping of the Facilities (excluding contractor's tools and equipment) at the site thereof at the full insurable value thereof, and the contractor shall purchase and maintain similar property insurance for portions of the work stored off the Site or in transit when such portions of the work are to be included in an application for payment. The contractor shall be responsible for the payment of any deductible amounts associated with this insurance.

**6.06. Contractors' Workers' Compensation Insurance.** To the extent mandated by State and local requirements, the Borrower shall require each contractor entering into a Construction Agreement to procure and maintain workers' compensation insurance during the term of such Construction Agreement, covering his or her employees working thereunder. A certificate of insurance evidencing such coverage, in form acceptable to BB&T, shall be provided to the Borrower with respect to each contractor entering into a Construction Agreement. To the extent mandated by State and local requirements, each Construction Agreement shall also provide that each subcontractor of any contractor who is a party to such Construction Agreement shall be required to furnish similar workers' compensation insurance.

**6.07. Disclaimer of Warranties.** The Borrower agrees that BB&T has not designed the Project, that BB&T has not supplied any plans or specifications with respect thereto and that BB&T (a) is not a manufacturer of, nor a dealer in, any of the component parts of the Project or similar facilities, (b) has not made any recommendation, given any advice nor taken any other action with respect to (i) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Project or any component part thereof or any property or rights relating thereto, or (ii) any action taken or to be taken with respect to the Project or any component part thereof or any property or rights relating thereto at any stage of the acquisition, construction and equipping thereof, (c) has not at any time had physical possession of the Project or any component part thereof or made any inspection thereof or of any property or rights relating thereto, and (d) has not made any warranty or other representation, express or implied, that the Project or any component part thereof or any property or rights relating thereto (i) will not result in or cause injury or damage to persons or property, (ii) has been or will be properly designed, or will accomplish the results which the Borrower intends therefore, or (iii) is safe in any manner or respect.

BB&T MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER WITH RESPECT TO THE PROJECT OR ANY COMPONENT PART THEREOF, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION WITH RESPECT TO THE MERCHANTABILITY OR THE FITNESS OR SUITABILITY THEREOF FOR ANY PURPOSE, and further including the design or condition thereof; the safety, quality or capacity thereof; compliance thereof with the requirements of any law, rule, specification or contract pertaining thereto; any latent defect; the Project's ability to perform any function; that the Amount Advanced will be sufficient to pay all costs of the acquisition,

construction and equipping of the Project; or any other characteristic of the Project; it being agreed that the Borrower is to bear all risks relating to the Project, the completion thereof and the transactions contemplated hereby, and the Borrower hereby waives the benefits of any and all implied warranties and representations of BB&T.

The provisions of this Section shall survive the termination of this Contract.

**6.08. Right of Entry and Inspection.** BB&T and its representatives and agents shall have the right to enter upon the Site and inspect the Facilities from time to time during construction and after the completion of construction, and the Borrower shall cause any vendor, contractor or subcontractor to cooperate with BB&T and its representatives and agents during such inspections.

No right of inspection or approval granted in this Section shall be deemed to impose upon BB&T any duty or obligation whatsoever to undertake any inspection or to make any approval. No inspection made or approval given by BB&T shall be deemed to impose upon BB&T any duty or obligation whatsoever to identify or correct any defects in the Facilities or to notify any person with respect thereto, and no liability shall be imposed upon BB&T, and no warranties (either express or implied) are made by BB&T as to the quality or fitness of any improvement, any such inspection and approval being made solely for BB&T's benefit.

**6.09. Conditional Assignment of Construction Documents.** (a) The Borrower hereby sells, transfers, assigns and sets over unto BB&T, its successors and assigns, all of the Borrower's right, title and interest in and to (i) all Construction Agreements, (ii) the contracts pertaining to the Mortgaged Property with architects, engineers and similar professionals (the "Architects' Agreements"), and (iii) all plans, specifications and other drawings or documents prepared or to be prepared by such professionals and pertaining to the Mortgaged Property (the "Plans" and together with the Construction Agreements and the Architects' Agreements, the "Construction Documents"); in all cases to the fullest extent such transfer is not prohibited by the terms of the respective documents and instruments or any related contracts. Such assignment is made as additional security for the Borrower's performance of all its obligations under this Contract and other documents evidencing or securing the Borrower's obligations under this Contract.

(b) The Borrower covenants and agrees that it will (a) fulfill, perform and observe each and every material condition and covenant of the Borrower contained in the Construction Documents, (b) give immediate notice to BB&T of any material default by anyone under the Construction Documents, and (c) enforce the performance and observance of each and every material covenant and condition to be performed or observed by anyone under the Construction Documents.

(c) The Borrower covenants and agrees for itself that it will not, without BB&T's prior written consent, (a) modify or amend the terms of any of the Construction Documents, or (b) waive or release the performance of any material obligation to be performed by anyone under the terms of the Construction Documents.

(d) Unless and until the Borrower defaults in the performance or observance of any obligation under this Contract, the Borrower is entitled to enjoy and enforce all its rights under the Construction Documents.

(e) If the Borrower defaults in the performance or observance of any obligation under this Contract, then BB&T is entitled to have, use and copy the Plans and, after first having given

written notice to the counterparty to any such agreement, shall be entitled from and after such notice to enjoy and enforce all the Borrower's rights under the Architects' Agreements and the Contractors' Agreements. BB&T shall then become bound to perform all the Borrower's obligations under the Architects' Agreements and the Contractors' Agreements that arise from and after the date of BB&T's notice to the counterparty. Unless and until BB&T gives such notice to any such counterparty, BB&T is not obligated to perform any obligations under the Architects' Agreements or the Contractors' Agreements.

(f) The Borrower warrants as follows: there is not any other assignment of any of its rights under any of the Construction Documents to any other person or party; it has done no act nor omitted to do any act that might prevent BB&T from exercising any of the rights, powers and privileges conferred by this Assignment; and, to the best of its knowledge, no default exists under the provisions of the Architects' Agreements or the Contractors' Agreements.

## ARTICLE VII

### CARE AND USE OF FACILITIES

**7.01. Compliance with Requirements.** (a) The Borrower shall cause the Facilities to be designed and constructed in compliance with all applicable legal requirements, including subdivision, building and zoning regulations. The Borrower shall not initiate or acquiesce in a change in the Site's zoning classification, except with respect to any change that may be appropriate to conform the actual zoning to that appropriate for the use of the Facilities contemplated as of the Closing Date.

(b) The Borrower shall observe and comply promptly with all current and future requirements relating to the Mortgaged Property's use or condition imposed by (i) any judicial, governmental or regulatory body having jurisdiction over the Facilities or any portion thereof or (ii) any insurance company writing a policy covering the Facilities or any portion thereof, whether or not any such requirement shall necessitate structural changes or improvements or interfere with the use or enjoyment of the Mortgaged Property.

(c) The Borrower shall obtain and maintain in effect all licenses and permits required for the Facilities' operation.

(d) The Borrower shall in no event use the Mortgaged Property or any part thereof, nor allow the same to be used, for any unlawful purpose, or suffer any act to be done or any condition to exist with respect to the Mortgaged Property or any part thereof, nor any article to be brought thereon, which may be dangerous, unless safeguarded as required by law, or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto.

**7.02. Use and Operation.** The Borrower shall use and operate the Project and related facilities for their intended public purposes, and for no other purpose unless required by law. The Borrower shall be solely responsible for the Project's operation, and shall not contract with any other person or entity for the Project's operation.

**7.03. Maintenance and Repairs; Additions; Grant and Release of Easements.** (a) The

Borrower shall keep the Mortgaged Property in good order and repair (reasonable wear and tear excepted) and in good operating condition, shall not commit or permit any waste or any other thing to occur whereby the value or usefulness of the Mortgaged Property might be impaired, and shall make from time to time all necessary or appropriate repairs, replacements and renewals.

(b) The Borrower may, also at its own expense, make from time to time any additions, modifications or improvements to the Mortgaged Property that it may deem desirable for its governmental or proprietary purposes and that do not materially impair the effective use, nor materially decrease the value or substantially alter the intended use, of the Mortgaged Property. The Borrower shall do, or cause to be done, all such things as may be required by law in order fully to protect the security of and all BB&T's rights under this Contract.

(c) Any and all additions to or replacements of the Facilities and all parts thereof shall constitute accessions to the Facilities and shall be subject to all the terms and conditions of this Contract and included in the "Facilities" for the purposes of this Contract.

(d) Notwithstanding any other provisions of this Contract, at any time so long as there is no Event of Default, with the consent of BB&T, the Borrower may at any time or times release fixtures to be added to the Mortgaged Property from the security interest created hereby with or without consideration. BB&T agrees that it shall execute and deliver and will cause, request or direct the Deed of Trust Trustee to execute and deliver any instrument reasonably necessary or appropriate to release any such fixture but only upon receipt of (a) a copy of the instrument of release, (b) a written request of the Borrower requesting such instrument, and (c) a certificate executed by the Borrower that the release is not detrimental to the proper conduct of the operations of the Borrower at the Mortgaged Property and will not impair the effective use, nor decrease the value, of the Mortgaged Property.

(e) Notwithstanding any other provisions of this Contract, at any time so long as there is no Event of Default, with the consent of BB&T, the Borrower may at any time or times grant easements, licenses, rights of way and other rights and privileges in the nature of easements with respect to any part of the Mortgaged Property, and the Borrower may release existing interests, easements, licenses, rights of way and other rights or privileges with or without consideration. BB&T agrees that it shall execute and deliver any instrument reasonably necessary or appropriate to grant or release any such interest, easement, license, right of way or other right or privilege but only upon receipt of (a) a copy of the instrument of grant or release, (b) a written request of the Borrower requesting such instrument, and (c) a certificate executed by the Borrower that the grant or release is not detrimental to the proper conduct of the operations of the Borrower at the Mortgaged Property and will not impair the effective use, nor decrease the value, of the Mortgaged Property.

**7.04. Utilities.** The Borrower shall pay all charges for utility services furnished to or used on or in connection with the Site and the Facilities.

**7.05. Risk of Loss.** The Borrower shall bear all risk of loss to and condemnation of the Site and the Facilities.

**7.06. Condemnation.** (a) The Borrower shall immediately notify BB&T if any governmental authority shall institute, or shall notify the Borrower of any intent to institute, any action or proceeding for the taking of, or damages to, all or any part of the Mortgaged Property or



any interest therein under the power of eminent domain, or if there shall be any damage to the Mortgaged Property due to governmental action, but not resulting in a taking of any portion of the Mortgaged Property. The Borrower shall file and prosecute its claims for any such awards or payments in good faith and with due diligence and cause the same to be collected and paid over to BB&T, and to the extent permitted by law hereby irrevocably authorizes and empowers BB&T or the Deed of Trust Trustee, in the Borrower's name or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claims. If the Borrower receives any Net Proceeds arising from any such action, the Borrower shall apply such Net Proceeds as provided in Section 7.09.

(b) If any of the real or personal property acquired or improved by the Borrower (in whole or in part) using any portion of the Amount Advanced consists of or is located on any real property acquired by the Borrower through the exercise of the power of eminent domain, or through the threat of the exercise of the power of eminent domain, then during the term of this Contract the Borrower may not transfer any interest in such real property to any entity other than a local governmental unit without BB&T's prior express written consent.

**7.07. Title.** Title to the Site and the Facilities and any and all additions, repairs, replacements or modifications thereto shall at all times be in the Borrower, subject to the lien of this Contract. Upon the Borrower's payment in full of all Required Payments, BB&T, at the Borrower's expense and request, shall cancel this Contract.

**7.08. No Encumbrance, Mortgage or Pledge of Site or Facilities.** (a) The Borrower shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien (including mechanics' and materialmen's liens), charge, encumbrance or other claim in the nature of a lien on or with respect to the Mortgaged Property, except Permitted Encumbrances. The Borrower shall promptly, at its own expense, take such action as may be duly necessary to discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created, incurred or suffered to exist.

(b) The Borrower shall reimburse BB&T for any expense incurred by BB&T to discharge or remove any such mortgage, pledge, lien, security interest, encumbrance or claim, with interest thereon at the Prime Rate.

**7.09. Damage and Destruction; Use of Net Proceeds.** (a) The Borrower shall promptly notify BB&T if (i) the Mortgaged Property or any portion thereof is stolen or is destroyed or damaged by fire or other casualty, (ii) a material defect in the construction of the Facilities shall become apparent, or (iii) title to or the use of all or any portion of the Mortgaged Property shall be lost by reason of a defect in title. Each notice shall describe generally the nature and extent of such damage, destruction or taking.

(b) The Borrower shall apply Net Proceeds (i) to the prompt completion, repair or restoration of the Mortgaged Property (and pay any costs in excess of Net Proceeds, if necessary), or (ii) together with other available funds as may be necessary, to the prepayment of all outstanding Required Payments pursuant to Section 3.03. The Borrower shall promptly report to BB&T regarding the use of Net Proceeds.

(c) Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of Net Proceeds shall be the Borrower's property and shall be part of the Facilities.

## ARTICLE VIII

### THE DEED OF TRUST TRUSTEE

**8.01. Deed of Trust Trustee's Liability.** The Deed of Trust Trustee shall suffer no liability by virtue of its acceptance of this trust except such as may be incurred as a result of the Deed of Trust Trustee's failure to account for the proceeds of any sale under this Contract.

**8.02. Substitute Trustees.** If the Deed of Trust Trustee, or any successor, shall die, become incapable of acting or renounce its trust, or if for any reason BB&T desires to replace the Deed of Trust Trustee, then BB&T shall have the unqualified right to appoint one or more substitute or successor Deed of Trust Trustees by instruments filed for registration in the office of the Register of Deeds where this Contract is recorded. Any such removal or appointment may be made at any time without notice, without specifying any reason therefor and without any court approval. Any such appointee shall become vested with title to the Mortgaged Property and with all rights, powers and duties conferred upon the Deed of Trust Trustee by this Contract in the same manner and to the same effect as though such Deed of Trust Trustee were named as the original Deed of Trust Trustee.

## ARTICLE IX

### DEFAULTS AND REMEDIES; FORECLOSURE

**9.01. Events of Default.** An "Event of Default" is any of the following:

- (a) The Borrower's failing to make any Installment Payment when due.
- (b) The occurrence of an Event of Nonappropriation.
- (c) The Borrower's breaching or failing to perform or observe any term, condition or covenant of this Contract on its part to be observed or performed, other than as provided in subsections (a) or (b) above, including payment of any Additional Payment, for a period of 15 days after written notice specifying such failure and requesting that it be remedied shall have been given to the Borrower by BB&T, unless BB&T shall agree in writing to an extension of such time prior to its expiration.
- (d) The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law by or against the Borrower as a debtor, or the appointment of a receiver, custodian or similar officer for the Borrower or any of its property, and the failure of such proceedings or appointments to be vacated or fully stayed within 30 days after the institution or occurrence thereof.
- (e) Any warranty, representation or statement made by the Borrower in this Contract is found to be incorrect or misleading in any material respect on the Closing Date (or, if later, on the date made).
- (f) Any lien, charge or encumbrance (other than Permitted Encumbrances) prior to or affecting the validity of this Contract is found to exist, or proceedings are instituted against the

Borrower to enforce any lien, charge or encumbrance against the Mortgaged Property and such lien, charge or encumbrance would be prior to the lien of this Contract.

(g) The Borrower's failing to pay when due any principal of or interest on any of its general obligation debt.

**9.02. Remedies on Default.** Upon the continuation of any Event of Default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies:

(a) Declare the unpaid principal components of the Installment Payments immediately due and payable;

(b) Proceed by appropriate court action to enforce the Borrower's performance of the applicable covenants of this Contract or to recover for the breach thereof;

(c) Pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate; and

(d) Avail itself of all available remedies under this Contract, including execution and foreclosure as provided in Sections 9.03 and 9.04, and recovery of attorneys' fees and other expenses.

Notwithstanding any other provision of this Contract, the Borrower, the Deed of Trust Trustee and BB&T intend to comply with Section 160A-20. No deficiency judgment may be entered against the Borrower in violation of Section 160A-20.

**9.03. Foreclosure; Sale under Power of Sale.** (a) Right to foreclosure or sale. Upon the occurrence and continuation of an Event of Default, at BB&T's request, the Deed of Trust Trustee shall foreclose the Mortgaged Property by judicial proceedings or, at BB&T's option, the Deed of Trust Trustee shall sell (and is hereby empowered to sell) all or any part of the Mortgaged Property (and if in part, any such sale shall in no way adversely affect the lien created hereby against the remainder) at public sale to the last and highest bidder for cash (free of any equity of redemption, homestead, dower, curtesy or other exemption, all of which the Borrower expressly waives to the extent permitted by law) after compliance with applicable State laws relating to foreclosure sales under power of sale. The Deed of Trust Trustee shall, at BB&T's request, execute a proper deed or deeds to the successful purchaser at such sale.

(b) Bank's bid. BB&T may bid and become the purchaser at any sale under this Contract, and in lieu of paying cash therefor may make settlement for the purchase price by crediting against the Required Payments the proceeds of sale net of sale expenses, including the Deed of Trust Trustee's commission, and after payment of such taxes and assessments as may be a lien on the Mortgaged Property superior to the lien of this Contract (unless the Mortgaged Property is sold subject to such liens and assessments, as provided by State law).

(c) Borrower's bid. The Borrower may bid for all or any part of the Mortgaged Property at any foreclosure sale; provided, however, that the price bid by the Borrower may not be less than an amount sufficient to provide for full payment of the Required Payments.

(d) Successful bidder's deposit. At any such sale the Deed of Trust Trustee may, at its

option, require any successful bidder (other than BB&T) immediately to deposit with the Deed of Trust Trustee cash or a certified check in an amount equal to all or any part of the successful bid, and notice of any such requirement need not be included in the advertisement of the notice of such sale.

(e) Application of sale proceeds. The proceeds of any foreclosure sale shall be applied in the manner and in the order prescribed by State law, it being agreed that the expenses of any such sale shall include a commission to the Deed of Trust Trustee of five percent of the gross sales price for making such sale and for all services performed under this Contract. Any proceeds of any such sale remaining after the payment of all Required Payments and the prior application thereof in accordance with State law shall be paid to the Borrower.

**9.04. Possession of Mortgaged Property.** During the continuation of an Event of Default, the Borrower shall immediately lose the right to possess, use and enjoy the Mortgaged Property (but may remain in possession of the Mortgaged Property as a tenant at will of BB&T), and thereupon the Borrower (a) shall pay monthly in advance to BB&T a fair and reasonable rental value for the use and occupation of the Mortgaged Property (in an amount BB&T shall determine in its reasonable judgment), and (b) upon BB&T's demand, shall deliver possession of the Mortgaged Property to BB&T or, at BB&T's direction, to the purchaser of the Mortgaged Property at any judicial or foreclosure sale under this Contract.

In addition, upon the continuation of any Event of Default, BB&T, to the extent permitted by law, is hereby authorized to (i) take possession of the Mortgaged Property, with or without legal action, (ii) lease the Mortgaged Property, (iii) collect all rents and profits therefrom, with or without taking possession of the Mortgaged Property, and (iv) after deducting all costs of collection and administration expenses, apply the net rents and profits first to the payment of necessary maintenance and insurance costs, and then to the Borrower's account and in reduction of the Borrower's corresponding Required Payments in such fashion as BB&T shall reasonably deem appropriate. BB&T shall be liable to account only for rents and profits it actually receives.

**9.05. Due on Sale Provision; Acceleration.** BB&T may, at its option, require the immediate payment in full of the Required Payments and the Amount Advanced and all other sums secured by this Contract upon the sale, transfer, conveyance or encumbrance of all or any part of the Mortgaged Property, or any legal or beneficial interest in the Mortgaged Property, without BB&T's prior written consent. This option applies whether the sale, transfer, conveyance or encumbrance is voluntary, involuntary, by operation of law or otherwise, and includes (i) any creation of lien or encumbrance, whether or not subordinate to the lien created pursuant to this Contract, (ii) the creation of any easement, right-of-way or similar interest other than such as would constitute a Permitted Encumbrance, or (iii) the grant of any leasehold or similar interest or any option to purchase, right of first refusal or similar interest.

**9.06. No Remedy Exclusive; Delay Not Waiver.** All remedies under this Contract are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy. If any Event of Default shall occur and thereafter be waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed a waiver of any other breach under this Contract.

**9.07. Payment of Costs and Attorney's Fees.** If BB&T employs an attorney to assist in

the enforcement or collection of Required Payments, or if the Deed of Trust Trustee or BB&T voluntarily or otherwise shall become a party or parties to any suit or legal proceeding (including a proceeding conducted under any state or federal bankruptcy or insolvency statute) to protect the Mortgaged Property, to protect the lien of this Contract, to enforce collection of the Required Payments or to enforce compliance by the Borrower with any of the provisions of this Contract, the Borrower agrees to pay reasonable attorneys' fees and all of the costs that may reasonably be incurred (whether or not any suit or proceeding is commenced), and such fees and costs (together with interest at the Prime Rate) shall be secured as Required Payments.

## ARTICLE X

### WIRE TRANSFER REQUIREMENTS

In order to prevent unauthorized or fraudulent wire transfers through cyberfraud and other means, BB&T and the Borrower hereby agree to the provisions of this Article X.

**10.01. Wire Transfer Requirements.** In the event a wire transfer is made by BB&T to disburse funds as contemplated by this Contract (a "Disbursement"), said wire transfer shall be delivered as directed in a written "Disbursement Authorization" provided to BB&T by a representative of the Borrower, subject to the terms and conditions set forth in this Article X. For the purposes of this Article, a representative of the Borrower shall include employees and elected and/or appointed officials of the Borrower, bond counsel, the Borrower's legal counsel, the LGC and the Borrower's financial advisor.

**10.02. Verification Procedures.** Prior to making any Disbursement pursuant to a Disbursement Authorization not delivered to BB&T in person by a representative of the Borrower, BB&T shall verify such Disbursement Authorization verbally via telephone communication with a representative of the Borrower. The Borrower shall ensure that a representative of the Borrower will provide such verification to BB&T. The Borrower shall not disclose, or allow to be disclosed, such BB&T verification procedures to any third party unless there is a legitimate business need to make such disclosure or such disclosure is required by law, and the Borrower accepts the risk of such third party knowledge of the security procedures. If the Borrower has reason to believe that a security procedure has been obtained by or disclosed to an unauthorized person or learns of any unauthorized transfer or of any discrepancy in a transfer request, then the Borrower shall notify BB&T immediately.

**10.03. Payee Identification.** The Borrower is solely responsible for accurately identifying the wire transfer information contained in the Disbursement Authorization delivered to BB&T by a representative of the Borrower, including but not limited to the bank name and its ABA number, beneficiary's account name and account number and beneficiary's physical address, together with other information requested by BB&T (collectively, "Remittance Instructions"). If the Remittance Instructions describe a beneficiary inconsistently by name and account number, the Borrower acknowledges that BB&T may make payment on the basis of the account number alone, that BB&T is not obligated to detect such errors, and that the Borrower assumes the risk of any loss resulting therefrom.

**10.04. Duty to Reconcile Written Confirmation.** Upon request from a representative of the Borrower, BB&T shall use its best efforts to send a representative of the Borrower written

confirmation of the Disbursement in the form of a reference number, beneficiary name and wire amount. A representative of the Borrower shall promptly review and reconcile the written confirmation of the Disbursement sent by BB&T, and shall report to BB&T in writing, promptly, but in no event later than ten Business Days after the date of such written confirmation, any unauthorized, erroneous, unreceived or improperly executed payment. BB&T and the Borrower agree that ten Business Days is a reasonable time for the detection and reporting to BB&T of such information. After that time, all items on the written confirmation will be considered correct and the Borrower will be precluded from recovering from BB&T if such wire transfer identified in the written confirmation was actually made by BB&T. For the avoidance of doubt, any such writings can be provided electronically.

**10.05. Unauthorized Payments.** Notwithstanding any other provision herein, if a Disbursement has been verified by a representative of the Borrower pursuant to Section 10.02, it shall be binding on the Borrower if BB&T acted in good faith in making such Disbursement.

**10.06. Recordation.** BB&T may record any telephone conversation between BB&T and a representative of the Borrower in order to reduce the risk of unauthorized or erroneous transfers. BB&T may retain such recordings for as long as BB&T may deem necessary.

**10.07. Indemnification and Hold Harmless.** If BB&T complies with the provisions of this Article X, the Borrower agrees that BB&T shall not be responsible for any communication or miscommunication by a representative of the Borrower, and the Borrower further agrees to indemnify, to the extent allowed by law, BB&T and hold BB&T harmless from and against any and all losses, claims, expenses, suits, costs or damages, demands or liabilities of whatever kind or nature, whether now existing or hereafter relating in any way to a wire transfer made pursuant to this Contract.

**10.08. Applicable Law.** All wire transfer orders are governed by Article 4A of the Uniform Commercial Code, except as any provisions thereof that may be and are modified by the terms hereof. If any part of the applicable wire transfer order involves the use of the Fedwire, the rights and obligations of BB&T and the Borrower regarding that wire transfer order are governed by Regulation J of the Federal Reserve Board.

## ARTICLE XI

### MISCELLANEOUS

**11.01. Notices.** (a) Any communication required or permitted by this Contract must be in writing.

(b) Any communication under this Contract shall be sufficiently given and deemed given when delivered by hand or on the date shown on a certified mail receipt, or delivery receipt from a national commercial package delivery service, if addressed as follows:

(i) if to the Borrower, to the City of Eden, North Carolina, P.O. Box 70, Eden North Carolina 27289, Attention: Tammie McMichael;

(ii) if to the Deed of Trust Trustee, to 5130 Parkway Plaza Boulevard, Charlotte, North Carolina 28217, Attention: Governmental Finance; or

(iii) if to BB&T, to 5130 Parkway Plaza Boulevard, Charlotte, North Carolina 28217, Attention: Governmental Finance.

(c) Any communication to the Deed of Trust Trustee shall also be sent to BB&T.

(d) Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

**11.02. No Assignments by Borrower.** The Borrower shall not sell or assign any interest in this Contract.

**11.03. Assignments by BB&T.** BB&T may, at any time and from time to time, assign all or any part of its interest in the Site, the Facilities or this Contract, including, without limitation, BB&T's rights to receive Required Payments. Any assignment made by BB&T or any subsequent assignee shall not purport to convey any greater interest or rights than those held by BB&T pursuant to this Contract.

The Borrower agrees that this Contract may become part of a pool of obligations at BB&T's or its assignee's option. BB&T or its assignees may assign or reassign all or any part of this Contract, including the assignment or reassignment of any partial interest through the use of certificates evidencing participation interests in this Contract. Any assignment by BB&T may be only to a bank, insurance company, or similar financial institution or any other entity approved by the LGC. Notwithstanding the foregoing, no assignment or reassignment of BB&T's interest in the Mortgaged Property or this Contract shall be effective unless and until the Borrower shall receive a duplicate original counterpart of the document by which such assignment or reassignment is made disclosing the name and address of each such assignee.

The Borrower further agrees that BB&T's interest in this Contract may be assigned in whole or in part upon terms which provide in effect that the assignor or assignee will act as a collection and paying agent for any holders of certificates of participation in this Contract, provided the Borrower receives a copy of such agency contract and such collection and paying agent covenants and agrees to maintain for the full remaining term of this Contract a written record of each

assignment and reassignment of such certificates of participation.

The Borrower agrees to execute any document reasonably required in connection with any assignment. Any assignor must provide notice of any assignment to the Borrower, and the Borrower shall keep a complete and accurate record of all assignments as required by the Code. After the giving of any such notice, the Borrower shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective.

**11.04. Amendments.** No term or provision of this Contract may be amended, modified or waived without the prior written consent of the Borrower and BB&T.

**11.05. No Marshalling.** The Borrower hereby waives any and all rights to require marshalling of assets in connection with the exercise of any remedies provided in this Contract or as permitted by law.

**11.06. Governing Law.** The Borrower, BB&T and the Deed of Trust Trustee intend that State law shall govern this Contract.

**11.07. Liability of Officers and Agents.** No officer, agent or employee of the Borrower shall be subject to any personal liability or accountability by reason of the execution of this Contract or any other documents related to the transactions contemplated hereby. Such officers or agents shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve an officer, agent or employee of the Borrower from the performance of any official duty provided by law.

**11.08. Covenants Running with the Land.** All covenants contained in this Contract shall run with the real estate encumbered by this Contract.

**11.09. Severability.** If any provision of this Contract shall be determined to be unenforceable, that shall not affect any other provision of this Contract.

**11.10. Non-Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on or before the next preceding Business Day.

**11.11. Entire Agreement.** This Contract constitutes the Borrower's entire agreement with respect to the general subject matter covered hereby.

**11.12. Binding Effect.** Subject to the specific provisions of this Contract, and in particular Section 11.03, this Contract shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**11.13 E-Verify.** BB&T understands that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. BB&T uses E-Verify to verify the work authorization of its employees in accordance



with Section 64-26(a) of the General Statutes of North Carolina, as amended. BB&T will require that any subcontractor that it uses in connection with the transactions contemplated by this Contract certify to such subcontractor's compliance with E-Verify.

*The remainder of this page left blank intentionally; signature page follows.*

IN WITNESS WHEREOF, the Borrower has caused this instrument to be executed as of the day and year first above written by duly authorized officers.

(SEAL)

ATTEST:

CITY OF EDEN, NORTH CAROLINA

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

\* \* \* \* \*

**STATE OF NORTH CAROLINA;  
COUNTY OF ROCKINGHAM**

I, a Notary Public of such County and State, certify that \_\_\_\_\_ and \_\_\_\_\_ personally came before me this day and acknowledged that they are the \_\_\_\_\_ and \_\_\_\_\_, of the City of Eden, and that by authority duly given and as the act of the City of Eden, the foregoing instrument was signed in the Borrower's name by such \_\_\_\_\_, sealed with its corporate seal and attested by such \_\_\_\_\_.

WITNESS my hand and official stamp or seal, this \_\_\_ day of \_\_\_\_\_, 2019.

[SEAL]

\_\_\_\_\_  
Notary Public

Notary's printed name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act.

By: \_\_\_\_\_  
Finance Director  
City of Eden, North Carolina

**BRANCH BANKING AND  
TRUST COMPANY**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

This contract has been approved under the provisions of Article 8, Chapter 159 of the General Statutes of North Carolina.

Greg C. Gaskins  
Secretary, North Carolina  
Local Government Commission

By \_\_\_\_\_  
Greg C. Gaskins or Designated Assistant

**EXHIBIT A – SITE DESCRIPTION**

[attach legal description of Bridge Street Recreation Center]

## EXHIBIT B – PAYMENT SCHEDULE

City of Eden, NC    Customer # 9933001145    NAICS 921140  
 Various Recreational Projects and Street Improvements Note No. 00022

Dated Date            3/12/2019  
 Delivery  
 Date                    3/12/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
3/12/2019						945,700.00	945,700.00
3/12/2020	48,542.53	3.630%	34,328.91	82,871.44		897,157.47	897,157.47
6/30/2020					82,871.44	897,157.47	897,157.47
3/12/2021	50,304.63	3.630%	32,566.82	82,871.44		846,852.84	846,852.84
6/30/2021					82,871.44	846,852.84	846,852.84
3/12/2022	52,130.68	3.630%	30,740.76	82,871.44		794,722.16	794,722.16
6/30/2022					82,871.44	794,722.16	794,722.16
3/12/2023	54,023.03	3.630%	28,848.41	82,871.44		740,699.13	740,699.13
6/30/2023					82,871.44	740,699.13	740,699.13
3/12/2024	55,984.06	3.630%	26,887.38	82,871.44		684,715.07	684,715.07
6/30/2024					82,871.44	684,715.07	684,715.07
3/12/2025	58,016.28	3.630%	24,855.16	82,871.44		626,698.79	626,698.79
6/30/2025					82,871.44	626,698.79	626,698.79
3/12/2026	60,122.28	3.630%	22,749.17	82,871.44		566,576.51	566,576.51
6/30/2026					82,871.45	566,576.51	566,576.51
3/12/2027	62,304.71	3.630%	20,566.73	82,871.44		504,271.80	504,271.80
6/30/2027					82,871.44	504,271.80	504,271.80
3/12/2028	64,566.38	3.630%	18,305.07	82,871.44		439,705.42	439,705.42
6/30/2028					82,871.44	439,705.42	439,705.42
3/12/2029	66,910.13	3.630%	15,961.31	82,871.44		372,795.29	372,795.29
6/30/2029					82,871.44	372,795.29	372,795.29
3/12/2030	69,338.97	3.630%	13,532.47	82,871.44		303,456.32	303,456.32
6/30/2030					82,871.44	303,456.32	303,456.32
3/12/2031	71,855.98	3.630%	11,015.46	82,871.44		231,600.34	231,600.34
6/30/2031					82,871.44	231,600.34	231,600.34
3/12/2032	74,464.35	3.630%	8,407.09	82,871.44		157,135.99	157,135.99
6/30/2032					82,871.44	157,135.99	157,135.99
3/12/2033	77,167.41	3.630%	5,704.04	82,871.44		79,968.58	79,968.58
6/30/2033					82,871.44	79,968.58	79,968.58
3/12/2034	79,968.58	3.630%	2,902.86	82,871.44			
6/30/2034					82,871.44		
	945,700.00		297,371.60	1,243,071.60	1,243,071.60		

**EXHIBIT C – FORM OF PROJECT FUND REQUISITION**

[TO BE PREPARED ON BORROWER’S LETTERHEAD FOR SUBMISSION]

**PROJECT FUND REQUISITION**

[Date] \_\_\_\_\_

Email requisitions to: GFProjectfunds@bbandt.com

Requisition Team

Branch Banking and Trust Company

Direct Dial: (252) 296-0452 or (252) 296-0653

RE: Request for disbursement of funds from the Project Fund related to Contract No. 9933001145-00022 with the City of Eden, North Carolina, dated March \_\_, 2019

To Whom It May Concern,

Pursuant to the terms and conditions of the Financing Agreement and Deed of Trust, dated as of March \_\_, 2019 (the “Contract”), between City of Eden, North Carolina (the “Borrower”) and Branch Banking and Trust Company, the Borrower requests the disbursement of funds from the Project Fund established under the Contract for the following Project Costs:

This is requisition number \_\_\_\_ from the Project Fund.

**Disbursements will be to the City of Eden, North Carolina.**

Amount: \$ \_\_\_\_\_

Attach copies of applicable vendor invoices or spreadsheet of expenditures to requisition when submitting.

Project Description:

Location of Equipment/Project:

To receive funds via wire transfer please include:

ABA Routing Number:

Account Number:

Physical address of Borrower: City of Eden, North Carolina, 308 E. Stadium Drive, Eden, North Carolina, Attention: Tammy McMichael

The Borrower makes this requisition pursuant to the following representations:

1. The Borrower has appropriated in its current fiscal year funds sufficient to pay the Installment Payments and estimated Additional Payments due in the current Fiscal Year.

2. The purpose of this disbursement is for partial payment of the cost of the Project provided for under the Contract referenced above.
3. The requested disbursement has not been subject to any previous requisition.
4. No notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable herein to any of the persons, firms or corporations named herein has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition.
5. This requisition contains no items representing payment on account of any percentage entitled to be retained on the date of this requisition.
6. No Event of Default is continuing under the Contract, and no event or condition is existing which, with notice or lapse of time or both, would become an Event of Default.
7. The Borrower shall allow BB&T to deliver and file, or cause to be filed, any Uniform Commercial Code financing statements with respect to the Project or portion of the Project that BB&T may request to evidence its security interest.
8. The Borrower has in place insurance on this portion of the Project that complies with the insurance provisions of the Contract.
9. Each amount requested for payment in this requisition either (a) represents a reimbursement to the Borrower for a Project Cost expenditure previously made, and such reimbursement complies with the provisions of the Code (generally, an issuer may reimburse a prior expenditure out of tax-exempt bond proceeds if (i) the issuer has declared its "official intent" to reimburse the expenditure no later than 60 days after the date the expenditure is paid *and* (ii) the expenditure is being reimbursed no later than the end of the permitted "reimbursement period" of at least 18 months, and at most 3 years, from the date the expenditure was paid), or (b) will be used by the Borrower promptly upon the receipt of funds from BB&T to make payments for Project Costs to third parties described in this requisition.

Capitalized terms used in this requisition have the meanings ascribed in the Contract.

Attached is evidence that the amounts shown in this requisition are properly payable at this time, such as bills, receipts, invoices, architects' payment certifications or other appropriate documents.

IF REQUEST IS FINAL REQUEST, CHECK HERE .

**CITY OF EDEN, NORTH CAROLINA**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT D – FORM OF CERTIFICATE**  
**DESIGNATING BORROWER REPRESENTATIVES**

In accordance with the terms of the Financing Agreement and Deed of Trust dated March \_\_\_\_, 2019 (the “Contract”) between the City of Eden, North Carolina (the “Borrower”) and Branch Banking and Trust Company (“BB&T”), the Borrower designates the following persons as Borrower Representatives authorized to sign requisitions to withdraw funds from the Project Fund account (as such terms are defined in the Contract):

Printed Name:

Signature:

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The Borrower may designate additional Borrower Representatives to sign requisitions upon written notification to BB&T.

**CITY OF EDEN, NORTH CAROLINA**

\_\_\_\_\_  
Name:

Title:

## **Resolution Approving Financing Terms**

**WHEREAS**, the City of Eden, North Carolina (the “City”) has previously determined to finance the (a) resurfacing of a tennis court at the Bridge Street Recreation Center, (b) construction of splash pad at Freedom Park (including restroom/dressing facilities and a concession stand), (c) extension of the greenway/pathway to be known as Matrimony Creek Phase II, (d) Klyce Street and Draper Landing improvements, (e) Stadium Drive improvements, and (f) other street resurfacing projects in the City (the “Project”), and the Finance Director has now presented a proposal for the financing of such Project.

### **BE IT THEREFORE RESOLVED, as follows:**

1. The City hereby determines to finance the Project through Branch Banking and Trust Company (“BB&T”) in accordance with the proposal dated January 3, 2019, or as such proposal may be supplemented or amended by BB&T and the City verbally or in writing. The amount financed shall not exceed \$945,700, the annual interest rate shall not exceed 3.63%, and the financing term shall not exceed 15 years from the date of closing.

2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the City are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and such other documents as BB&T may request. Pursuant to the Financing Agreement and Deed of Trust, (a) BB&T will advance moneys to the City to pay the costs of the Project and the financing costs related thereto, and the City will repay such advance in installments, and (b) the City will grant a lien on portions of the site of the Project, together with all fixtures and improvements located thereon, to BB&T as security for such advance.

3. The Finance Director is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to the Finance Director’s satisfaction. The Finance Director is authorized to approve changes to any Financing Documents previously signed by City officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Director shall approve, with the Finance Director’s release of any Financing Document for delivery constituting conclusive evidence of such officer’s final approval of the Document’s final form.

4. The City shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Documents as “qualified tax-exempt obligations” for the purpose of Internal Revenue Code Section 265.

5. The City intends that the adoption of this resolution will be a declaration of the City’s official intent to reimburse expenditures for the Project that is to be financed from the proceeds of the BB&T financing described above. The City intends that funds that have been advanced, or that may be advanced, from the City’s general fund, or any other City fund related to the Project, for costs of the Project may be reimbursed from the financing proceeds.

6. All prior actions of City officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this \_\_\_\_ day of February, 2019.

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

SEAL

## RESOLUTION

### RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS, the City of Eden desires to enter into a fifteen year installment financing agreement in the principal amount not to exceed \$945,700 for the purpose of financing the cost of Street Resurfacing Projects (the "Project") to better serve the citizens of Eden; and

WHEREAS, The City of Eden desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the City Council Members of Eden, North Carolina, meeting in regular session on the 19th day of February 2019, make the following findings of fact:

1. The proposed contract is necessary or expedient because it allows the City to complete the following General Fund Projects (i) Splash pad, (ii) Resurface tennis courts, (iii) Matrimony Creek Phase II, (iv) Klyce Street & Draper Landing, (v) Stadium Drive Sidewalk Match, (vi) Resurface city streets that are in poor or very poor condition. and (vii) obtain reimbursement of General Fund expenditures related to general fund projects. Each of the improvements financed by the proposed contract serves a public purpose for the citizens of the City of Eden.
2. The proposed contract is preferable to a bond issue for the same purpose because (i) the up-front costs are lower than a bond issue, (ii) the time frame to complete the financing is shorter than a bond issue, and (iii) it allows for prepayment of the debt if future financing through revenue or general obligation bonds is needed. The \$945,700 exceeds the amount that can be prudently raised from current appropriations, unappropriated fund balance, and non-voted bonds that could be issued by the City in the current fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution (the "two-thirds limitation").
3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the payments are amortized over 15 years at an interest rate not to exceed 3.63%, yielding annual payments of \$82,871.44. Additionally, prepayment premium shall be calculated as a percentage of the principal amount prepaid, as follows: prepayment of the principal balance in whole with a 1% prepayment premium for the first half of the term and then shall allow for prepayment in whole at any time without a prepayment penalty. It is anticipated that the payments will be paid through general fund revenues.
4. The City of Eden's debt management procedures and policies are good because of good financial practices. The City of Eden's outstanding debt as of June 30, 2018 was \$19,108,372.64. The legal debt margin for the City of Eden as of June

30, 2018 was \$71,374,122. The City of Eden's debt management policies have been carried out in strict compliance with the law, and will henceforth be so carried out.

5. The proposed agreement should not create an increase in taxes to meet the sums to fall due.
6. The City of Eden is not in default in any of its debt service obligations.
7. The attorney for the City of Eden has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Finance Officer is hereby authorized to act on behalf of the City of Eden in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 19 day of February 2019.

The motion to adopt this resolution was made by Council Member

\_\_\_\_\_, Seconded by Council Member

\_\_\_\_\_, and passed by a vote of \_\_\_\_\_ to \_\_\_\_\_.

\_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt,  
City Clerk

This is to certify that this is a true and accurate copy of the Resolution adopted by the City of Eden Council Members on the 19 day of February 2019.

\_\_\_\_\_  
Deanna Hunt  
City Clerk

\_\_\_\_\_  
Date



# Planning and Inspections Department

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P. O. Box 70, 308 E Stadium Drive, Eden NC 27289-0070/Telephone 336-623-2110/Fax 336-623-4057

## MEMO

**TO:** Honorable Mayor and City Council  
**THRU:** Brad Corcoran, City Manager  
**FROM:** Kelly K. Stultz, AICP, Director  
**SUBJECT:** **Zoning Case Z-19-01 – 354 W. Meadow Road**  
**DATE:** February 6, 2019

The City has received a zoning map amendment request filed by Riverbluff Properties, LLC, Property Owner, to rezone property at 354 W. Meadow Road from Office & Institutional to Business-General.

The Planning and Inspections Department recommends approval of the map amendment request.

At their regular meeting on January 22, 2019, the Planning Board voted to recommend that the City Council approve this request and adopt a Resolution Adopting A Statement of Consistency Regarding the Proposed Amendment.

If you have questions, please contact this office.



PLANNING & INSPECTIONS DEPARTMENT  
APPLICATION FOR ZONING ORDINANCE AMENDMENT

PETITION FOR MAP AMENDMENT

**INSTRUCTIONS:** Please complete this application and provide the required information. In order for this application to be accepted, all applicable sections of this form must be completed, all required information provided and the application fee paid at the time of submittal.

**(1) APPLICANT INFORMATION:**

NAME: Riverbluff Properties TELEPHONE: 336-932-3456  
MAILING ADDRESS: 109 Ferrell Street  
CITY Eden STATE NC ZIP CODE 27288  
APPLICANT'S PROPERTY INTEREST OR LEGAL RELATIONSHIP TO OWNER(S):  
owner

**(2) PROPERTY OWNER INFORMATION:**

NAME: (Same) TELEPHONE: \_\_\_\_\_  
MAILING ADDRESS: \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

**(3) PROPERTY INFORMATION:**

TAX PROPERTY IDENTIFICATION NUMBER(S)(PIN): 70701682081500  
Parcel # 106622  
STREET LOCATION: 354 W. Meadow Road  
DEED BOOK: 1158 PAGE NUMBER 1835  
YEAR CURRENT OWNER ACQUIRED PROPERTY: 2018  
PROPERTY SIZE (in acres or in square feet if less than 1 acre): 3.777  
PUBLIC WATER AVAILABLE  YES \_\_\_ NO PUBLIC SEWER AVAILABLE  YES \_\_\_ NO  
CURRENT USE OF PROPERTY: (Planned micro-brewery)

**(4) ZONING INFORMATION:**

EXISTING ZONING DISTRICT: O+I REQUESTED ZONING DISTRICT: B-6

**(5) ADDITIONAL INFORMATION:**

INCLUDE WITH THIS APPLICATION A COPY OF THE RECORDED DEED TO THE PROPERTY.  
INCLUDE WITH THIS APPLICATION A COPY OF THE RECORDED PLAT OR SURVEY FOR THE PROPERTY. IF SUCH A PLAT DOES NOT EXIST, THEN INCLUDE A MAP THAT INDICATES THE DIMENSIONS OF THE PROPERTY.

**(6) APPLICANT CERTIFICATION:**

I hereby certify that, to the best of my knowledge, the information shown on this application is true and accurate, and that I hereby petition the Planning Board to recommend and the City Council to approve this application for zoning ordinance amendment.

*Fatima Snow*  
Applicant's Signature

1/2/2019  
Date of Signature

**(7) PROPERTY OWNER(S) CERTIFICATION:**

I hereby certify that, to the best of my knowledge, the information shown on this application is true and accurate, and that I hereby petition the Planning Board to recommend and the City Council to approve this application for zoning ordinance amendment.

*Fatima Snow*  
Property Owner's Signature

1/2/2019  
Date of Signature

Property Owner's Signature

Date of Signature

**(8) CORPORATION CERTIFICATION:**

IT IS HEREBY CERTIFIED, that \_\_\_\_\_, a Corporation, is the owner in fee simple of lands which is described in this application for zoning ordinance amendment and that the Corporation hereby petitions the Planning Board to recommend and the City Council to approve this application for zoning ordinance amendment.

IN TESTIMONY WHEREOF, that said Corporation has caused these presents to be signed by its duly authorized officer and has caused its Corporate Seal to be affixed thereto.

Witness the signature(s) and seal(s) this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

CORPORATE SEAL

Name of Corporation

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_

\_\_\_\_\_  
President

**DEPARTMENTAL USE ONLY**

APPLICATION NUMBER: 2-19-01

FEE PAID:

RECEIVED BY: KKS

DATE: 1-2-2019



**PLANNING AND INSPECTIONS DEPARTMENT  
ZONING CASE REPORT  
January 2, 2019**

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<b>CASE NUMBER:</b>	<b>Z-19-01</b>
<b>EXISTING ZONING DISTRICT:</b>	<b>O&amp;I</b>
<b>REQUESTED ZONING DISTRICT:</b>	<b>B-G</b>
<b>APPLICANT:</b>	<b>Riverbluff Properties – Katrina Snow</b>
<b>APPLICANT’S STATUS:</b>	<b>Property Owner</b>

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**PROPERTY INFORMATION**

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<b>LOCATION:</b>	354 W. Meadow Rd.
<b>PIN:</b>	7070-1682-0815
<b>SIZE:</b>	3.77 acres
<b>ACCESS:</b>	Meadow Road
<b>LAND USE:</b>	Vacant (Former water filtration plant)
<b>PHYSICAL CHARACTERISTICS:</b>	Industrial type building on large lot
<b>ZONING HISTORY:</b>	Zoned O&I at time of original zoning

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**AREA INFORMATION**

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<b>CHARACTERISTICS:</b>	Bordered on the north (across Meadow Rd.) by O&I property containing a single-family residence on a large lot and BG property containing a commercial business; on the east by O&I property containing a vacant building (former City Hall); on the west by O&I properties containing a commercial building and a single-family residence; on the south by a large parcel of undeveloped O&I property and by O&I property owned by the City containing the entrance to the Smith River Greenway.	
<b>ADJACENT ZONING:</b>	North:	O&I and B-G
	South:	O&I
	East:	O&I
	West:	O&I

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## PLANNING AND DEVELOPMENT INFORMATION

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STREET IMPROVEMENTS:	Yes
PUBLIC WATER AVAILABLE:	Yes
PUBLIC SEWER AVAILABLE:	Yes
LAND DEVELOPMENT PLAN (2007):	Commercial
FLOOD HAZARD AREA:	None
WATER SUPPLY WATERSHED:	None

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## STAFF ANALYSIS

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The request is to rezone a 3.77 acre parcel from Office and Institutional to Business General. The O&I District is established primarily for office and institutional uses which have only limited contact with the general public and which have no offensive noises, odors, smoke, fumes, and other objectionable conditions. As residences are permitted in this district and as this district is usually adjacent to residential districts, provisions are made for yards, off-street parking and off-street loading areas. The B-G Business Districts are generally located on the fringe of the central business district and along major radial highways leading out of the city. The principal use of land is for dispensing retail goods and services to the community and to provide space for wholesaling and warehousing activities. Because these commercial areas are subject to public view and are important to the economy of the area, they shall have ample parking, controlled traffic movement, and suitable landscaping.

The subject parcel is located near the Smith River in an area that has mostly commercial uses with some residential and undeveloped land. There is a single-family residence across River Road to the west of the property. The property is located at the entrance to the Smith River Greenway. The property in question is a large open parcel containing a building which formerly housed the water treatment plant for Fieldcrest Mills. The property was most recently used as a garden center, but has been vacant for some time. There has been no recent development pressure in the area. There is commercial BG property directly across Meadow Road and to the east, as well as across the Smith River to the west. Due to the proximity to the other commercial uses in the area, and the location on a major commercial thoroughfare, staff is of the opinion that rezoning the subject parcel to BG would be a good use for the existing building and the property, would not be detrimental to the neighborhood and would be in harmony with the surrounding area.

Based upon the character of the area, the location of the property and the other commercial uses in the area, staff recommends in favor of the request.

**STAFF RECOMMENDATION:**

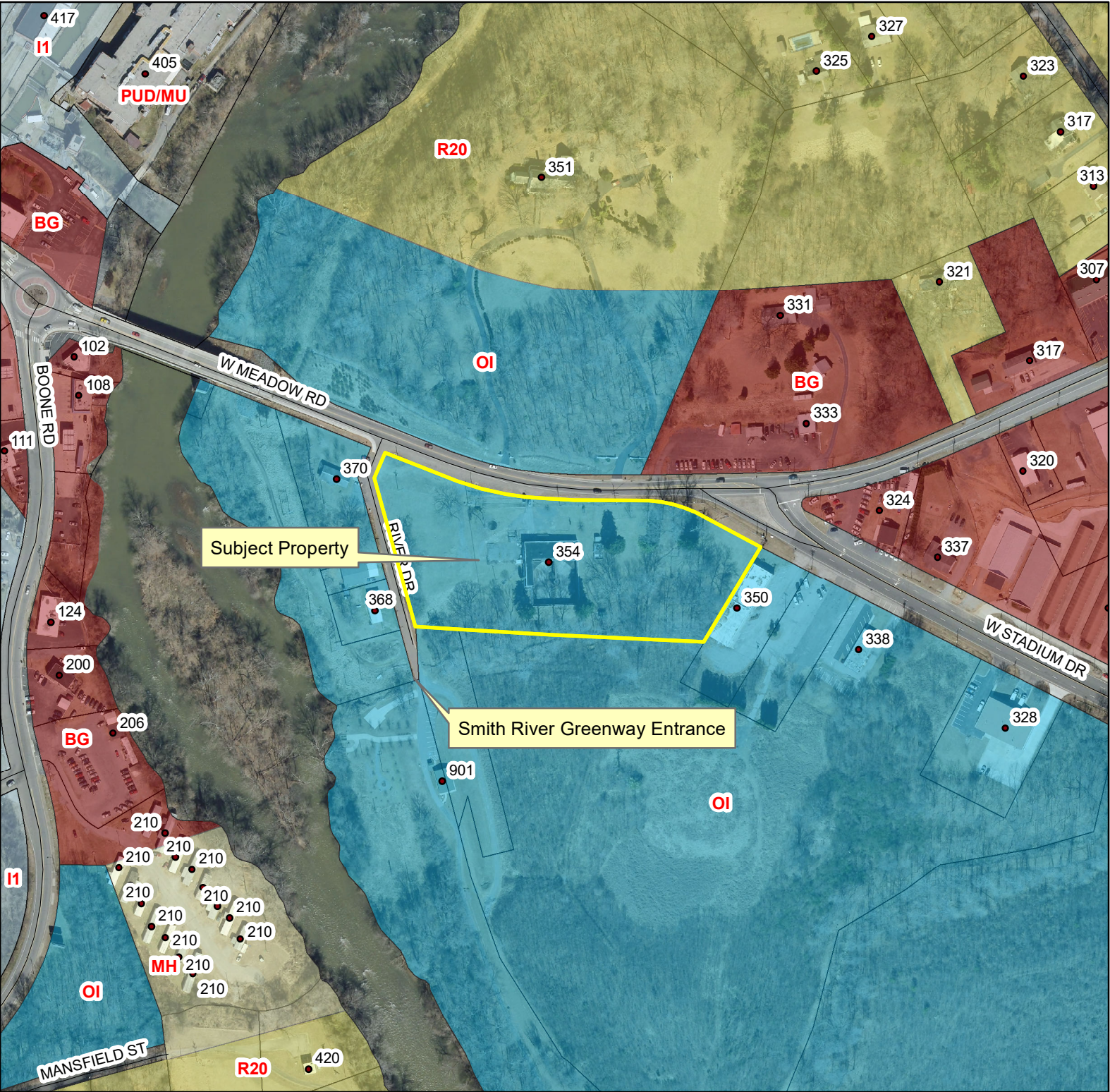
**Approval of the BG request.**

**ZONING CASE**  
**Z-19-01**  
**AERIAL MAP**



**354 W. Meadow Road**  
**Zoned:**  
**Office & Institutional**  
**Requested:**  
**Business-General**

**ZONING CASE**  
**Z-19-01**  
**ZONING MAP**



**354 W. Meadow Road**  
**Zoned:**  
**Office & Institutional**  
**Requested:**  
**Business-General**

AN ORDINANCE AMENDING THE ZONING  
ORDINANCE OF THE CITY OF EDEN

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BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that, after having fully complied with all legal requirements, including publication of notice of a public hearing and the holding of a public hearing relative thereto, the Zoning Ordinance of the City of Eden is hereby amended as follows:

Section 1 - Change from Office & Institutional to Business-General the following parcel:

BEGINNING at an existing concrete monument located in the southern right-of-way margin of N. C. 700 and 770 as shown on Map for central filter plant prepared by W. T. Combs in July 1942 (See Deed Book 442, Page 469) said monument lies South 52° 04' 33" East 299.94 feet from a point located in the centerline of Meadow Road at the end of a bridge that crosses the Smith River; thence from the point of beginning and with the southern right-of-way margin of said road South 72° 52' 00" East 91.90 feet to an existing concrete monument, South 84° 38' 00" East 124.25 feet to an existing concrete monument, North 88° 15' 00" East 45.43 feet to a point and North 88° 15' 00" East 354.57 feet to an iron stake; thence a line with the right-of-way margin of Stadium Drive South 59° 20' 50" East 133.69 feet to an iron stake that is set North 52° 04' 33" West 1.97 feet from a concrete monument; thence a line with the City of Eden (See Deed Book 661, Page 21) South 30° 39' 11" West 211.25 feet to an iron stake; thence a line with the City of Eden (See Deed Book 706, Page 866); South 88° 15' 00" West 558.38 feet to an iron stake; thence with the eastern margin of a road which is not open and was formerly known as Bottoms Road North 13° 58' 24" West 288.90 feet to an iron stake; thence North 35° 12' 25" East 16.00 feet to the place and point of beginning and containing 3.773 acres more or less as per plat of survey prepared by C. E. Robertson and Associates dated October 8, 2002 and entitled "Plat of Survey for William John Cameron and Nancy Wise Cameron".

The above described property being commonly known as 354 W. Meadow Road and identified by the Rockingham County Tax Department as PIN 7070-16-82-0815 and Parcel Number 106622.

Section 2 - The Official Zoning Map of the City of Eden is hereby amended to conform with this Ordinance.

APPROVED, ADOPTED AND EFFECTIVE, this 19th day of February, 2019.

CITY OF EDEN

BY: \_\_\_\_\_  
Neville A. Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

A RESOLUTION ADOPTING A  
STATEMENT OF CONSISTENCY REGARDING  
A PROPOSED AMENDMENT TO THE  
CITY OF EDEN ZONING ORDINANCE  
**CASE NUMBER Z-19-01**  
**MAP AMENDMENT**

WHEREAS, pursuant to North Carolina General Statutes Chapter 160A-383, prior to adoption or rejection of any zoning amendment, the Eden City Council is required to adopt a statement as to whether the amendment is consistent with the Land Development Plan and why the City Council considers the action taken to be reasonable and in the public interest;

WHEREAS, on August 21, 2007, the Eden City Council adopted the Land Development Plan. Plans such as the City of Eden Land Development Plan are not designed to be static but are meant to reflect the City of Eden's needs, plans for future development and to remain in compliance with North Carolina State Law and the City of Eden's ordinances;

WHEREAS, the City of Eden Planning Board received a request to rezone property at 354 W. Meadow Road from Office & Institutional to Business-General;

WHEREAS, On January 22, 2019, the City of Eden Planning Board voted to recommend that the rezoning request be approved.

**STATEMENT OF NEED:**

The property was most recently used as a garden center, but has been vacant for some time. There has been no recent development pressure in the area. There is commercial BG property directly across Meadow Road and to the east, as well as across the Smith River to the west. Due to the proximity to the other commercial uses in the area, and the location on a major commercial thoroughfare, staff is of the opinion that rezoning the subject parcel to BG would be a good use for the existing building and the property, would not be detrimental to the neighborhood and would be in harmony with the surrounding area. The property is located in an area designated as Commercial Center in the City of Eden Land Development Plan. The rezoning of the property would bring it in compliance with the Land Development Plan.

**STATEMENT OF CONSISTENCY:**

The goals of the 2007 City of Eden Land Development Plan, as amended, are to make smart growth decisions by carefully managing growth to:

- A. Strategically locate new land development in the most appropriate places.
- B. Maintain and enhance Eden's community character and heritage.
- C. Use infrastructure investments as effectively as possible.

- D. Attract new jobs and a more diverse tax base.
- E. Protect natural, cultural and historic resources and open space as we grow.

WHEREAS, The Eden City Council has considered the written recommendation of the City of Eden Planning Board and has held a public hearing on the proposed amendment, and the Council desires to adopt a statement describing why the adoption of the proposed amendment not is consistent with the City of Eden Land Development Plan, and why the City Council does not consider the proposed amendment to be reasonable and in the public interest;

NOW THEREFORE, BE IT RESOLVED BY THE EDEN CITY COUNCIL THAT:

1. The Eden City Council finds that the proposed amendment to the City of Eden Zoning Ordinance is consistent with the goals and recommendations of the 2007 City of Eden Land Development Plan, as amended.
2. At no time are land use regulations or plans of the City of Eden or any jurisdiction in the State of North Carolina permitted to be in violation of the North Carolina General Statutes.
3. Therefore, based upon the foregoing information, the amendment to the Zoning Ordinance is reasonable and in the public's best interest.

Approved and adopted and effective this 19th day of February, 2019.

CITY OF EDEN

BY: \_\_\_\_\_  
Neville A. Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk



# Planning and Inspections Department

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P. O. Box 70, 308 E Stadium Drive, Eden NC 27289-0070/Telephone 336-623-2110/Fax 336-623-4057

## MEMO

**TO:** Honorable Mayor and City Council  
**THRU:** Brad Corcoran, City Manager  
**FROM:** Kelly K. Stultz, AICP, Director  
**SUBJECT:** **Zoning Case Z-18-06 – Text Amendment**  
**DATE:** February 6, 2019

The City has received a zoning text amendment request initiated by the Planning Board to amend Section 11.29(a) Definitions to include a definition for Disabled Motor Vehicles and to amend Section 11.22 General Provisions to include provisions pertaining to the regulation of Disabled Motor Vehicles.

The Planning and Inspections Department recommends approval of the text amendment request.

At their regular meeting on January 22, 2019, the Planning Board voted to recommend that the City Council approve this request and adopt a Resolution Adopting A Statement of Consistency Regarding the Proposed Amendment.

If you have questions, please contact this office.



AN ORDINANCE AMENDING THE ZONING  
ORDINANCE OF THE CITY OF EDEN

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BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that, after having fully complied with all legal requirements, including publication of notice of a public hearing and the holding of a public hearing relative thereto, Section 11.29 Definitions of the Zoning Ordinance of the City of Eden is hereby amended by adding the following:

**Disabled Motor Vehicle:** A Disabled Motor Vehicle shall be defined as any motor vehicle that meets one or more of the following criteria:

1. Does not display a current license plate; or
2. Is partially dismantled or wrecked; or
3. Cannot be self-propelled or moved in the manner in which it was originally intended; or
4. Is more than five (5) years old or is worth less than \$500.

Nothing in this definition shall be construed to apply to any vehicle in an enclosed building or vehicle on the premises of a business enterprise being operated in a lawful place and manner and the vehicle being necessary to the operation of the business enterprise, or to a vehicle in an appropriate storage place or depository maintained in a lawful place and manner by the City.

APPROVED, ADOPTED AND EFFECTIVE, this 19th day of February, 2019.

CITY OF EDEN

BY: \_\_\_\_\_  
Neville A. Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

AN ORDINANCE AMENDING THE ZONING  
ORDINANCE OF THE CITY OF EDEN

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BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that, after having fully complied with all legal requirements, including publication of notice of a public hearing and the holding of a public hearing relative thereto, Section 11.22 General Provisions of the Zoning Ordinance of the City of Eden is hereby amended by adding the following:

(t) **Disabled Motor Vehicles** – The parking, storage or use of vehicles may be allowed as accessory to any use allowed by this Ordinance, subject to the following standards:

(1) **Residential Uses**

- a. One disabled vehicle is allowed on a lot with a single-family dwelling or duplex dwelling, provided the disabled vehicle is parked or stored behind the front building line of the principal structure.
- b. Additional disabled vehicles on a single-family or duplex lot and any disabled vehicle parked or stored on a lot with any other residential use shall be located within a fully enclosed principal or accessory structure.

(2) **All Other Uses**

- a. A disabled motor vehicle may be parked or stored on a lot containing an agricultural, institutional, commercial, or industrial use, provided it is totally screened from view from any street or residential zoning district or use.
- b. The disabled vehicle shall be stored within a fully enclosed building or fully screened by a building, opaque fence, wall, or other approved method, to a height of six (6) feet above grade level.

(3) **For non-residential uses:** unless otherwise specifically allowed as a permitted use in a particular zoning district, (i.e., Automobile Repair Garages, Automobile Storage and Temporary Towing Services), one (1) disabled motor vehicle is allowed to be kept or stored on a lot as an accessory to a principal use, provided the disabled vehicle is parked or stored behind the front building line of the principal structure and is fully screened and not visible from the street or from any residential use or district. Acceptable screening may include a solid fence, a tarp or similar type of covering, and or a fully enclosed structure.

(4) No disabled motor vehicle shall be permitted to be kept or stored on any vacant lot without a principal use structure.

APPROVED, ADOPTED AND EFFECTIVE, this 19th day of February, 2019.

CITY OF EDEN

BY: \_\_\_\_\_  
Neville A. Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

A RESOLUTION ADOPTING A  
STATEMENT OF CONSISTENCY REGARDING  
A PROPOSED AMENDMENT TO THE  
CITY OF EDEN ZONING ORDINANCE  
**CASE NUMBER Z-18-06**  
**TEXT AMENDMENT**

WHEREAS, pursuant to North Carolina General Statutes Chapter 160A-383, prior to adoption or rejection of any zoning amendment, the Eden City Council is required to adopt a statement as to whether the amendment is consistent with the Land Development Plan and why the City Council considers the action taken to be reasonable and in the public interest;

WHEREAS, on August 21, 2007, the Eden City Council adopted the Land Development Plan. Plans such as the City of Eden Land Development Plan are not designed to be static but are meant to reflect the City of Eden's needs, plans for future development and to remain in compliance with North Carolina State Law and the City of Eden's ordinances;

WHEREAS, the City of Eden Planning Board initiated an action to amend to the Zoning Ordinance as follows:

To amend Section 11.22 General Provisions and Section 11.29(a) Definitions, to include provisions pertaining to the regulation of Disabled Motor Vehicles.

WHEREAS, On January 22, 2019, the City of Eden Planning Board voted to recommend approval of the zoning text amendment.

STATEMENT OF NEED:

The subject parcel is located on the fringe of a residential district and a commercial district. The residential area is composed of older, small- to medium-sized residential properties, containing both owner-occupied and rental properties. The commercial area contains established retail and other businesses. There has been no development pressure in the area and the residential/commercial mix of uses has not changed in many years. The request is to rezone a residential property which adjoins existing BG property. Staff is of the opinion that rezoning the subject parcel to BG would not be detrimental to the neighborhood and would be in harmony with the surrounding area.

STATEMENT OF CONSISTENCY:

The goals of the 2007 City of Eden Land Development Plan, as amended, are to make smart growth decisions by carefully managing growth to:

- A. Strategically locate new land development in the most appropriate places.

- B. Maintain and enhance Eden's community character and heritage.
- C. Use infrastructure investments as effectively as possible.
- D. Attract new jobs and a more diverse tax base.
- E. Protect natural, cultural and historic resources and open space as we grow.

WHEREAS, The Eden City Council has considered the written recommendation of the City of Eden Planning Board and has held a public hearing on the proposed amendment, and the Council desires to adopt a statement describing why the adoption of the proposed amendment not is consistent with the City of Eden Land Development Plan, and why the City Council does not consider the proposed amendment to be reasonable and in the public interest;

NOW THEREFORE, BE IT RESOLVED BY THE EDEN CITY COUNCIL THAT:

1. The Eden City Council finds that the proposed amendment to the City of Eden Zoning Ordinance is consistent with the goals and recommendations of the 2007 City of Eden Land Development Plan, as amended.
2. At no time are land use regulations or plans of the City of Eden or any jurisdiction in the State of North Carolina permitted to be in violation of the North Carolina General Statutes.
3. Therefore, based upon the foregoing information, the amendment to the Zoning Ordinance is reasonable and in the public's best interest.

Approved and adopted and effective this 19th day of February, 2019.

CITY OF EDEN

BY: \_\_\_\_\_  
Neville A. Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk



## **Planning and Inspections Department**

308 East Stadium Drive, Eden, North Carolina 27288 Phone: (336) 623-2110 Fax: (336) 623-4057

### **MEMO**

**To:** Honorable Mayor and City Council  
**Thru:** Brad Corcoran, City Manager  
**From:** Debbie Galloway  
**Subject:** **2019 Boards and Commissions Appointments**  
**Date:** February 1, 2019

The following seats on the City Boards and Commissions are up for appointment or reappointment in 2019. When making appointments, please consider whether these persons have the time or the ability (for whatever reason) to attend regular meetings and participate in the activities of the board or commission.

If you have questions, please do not hesitate to call.

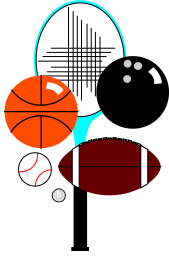
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#### **Community Appearance Commission**

Vacant                      Term Expired 2018                      Ward 6 – Councilwoman Grogan

#### **Historic Preservation Commission**

Blanche Hailey              Term Expired 2018                      Mayor Hall



## ***Eden Parks & Recreation Department***

***308 East Stadium Drive, Eden, NC 27288-3523***

***Voice 336-623-2110, Fax 336-623-4041***

**TO: Honorable Mayor & City Council**

**THUR: Brad Corcoran, City Manager**

**FROM: Johnny Farmer, Parks & Recreation Director**

**SUBJECT: Leaksville Landing Parking Lot Paving**

**DATE: February 6, 2019**

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**The Parks and Recreation Department requested \$20,000 from funds in the FY 2018-19 Strategic Plan Budget to fund the paving of the upper parking lot at the Leaksville Landing River Access Area. The Strategic Planning Commission at its February 1, 2019 meeting approved this request. The paving of the parking lot will help make the parking in the area easier and will outline where parking spaces are.**

**Staff would like to recommend that the Mayor and City Council approve the paving of the Leaksville Landing parking lot and authorize the use of funds from the Positively Eden Strategic Plan Account.**

**If you have any questions or need additional information, please advise.**

# Leaksville Landing Parking Lot

Request an amount not to exceed \$20,000 to pave the upper parking lot at the Leaksville Landing located at 827 S. Hamilton Street.







**TO:** Honorable Mayor & City Council

**THRU:** Brad Corcoran, City Manager

**FROM:** Cindy Adams, Tourism Development  
Randy Hunt, Main Street Manager

**RE:** Strategic Planning Projects Request

**DATE:** February 7, 2019

**Eden Tourism Development request \$43,450 from funds in the FY 2018-19 Strategic Plan Budget to fund the following projects:**

- **\$18,000 – 12 Month Contract with WGSR TV to run:**
  1. 10 “Did You Know” videos per day
  2. 3 Minute Infomercials – 3 times per week
  3. .30 spots – 3 times per day
  4. “15 Minutes with the Mayor” – every month – show could be longer if needed – not to exceed .28 minutes
  
- **\$7500 – 12 Month Contract with CTT Productions to produce:**
  1. Four (4) 3 minute infomercials
  2. Four (4) .30 spots
  3. Ten (10) “Did You Know” Videos
  
- **\$4250 – Contract with Irving Farms Landscape to plant a 2 acre wildflower field on the Smith River Greenway. Cost includes land prep, lime, fertilizer, seed and labor.**
  
- **\$7,000 – Spring Grown & Gathered Event – Thursday, May 23**  
**The Commission has heard many positive comments about the tremendous success of the first event held in August of 2018 and would like to see two of these conducted in 2019.**

- **\$6,300 – New Eden Brochure to highlight our rivers, trails, hotels, Drive In, downtown and other features that bring visitors to Eden.**
- **\$450 – Facebook Boosts to help reach a larger audience on social media. Events, “Did You Know” videos and infomercials will be the focus.**

**Main Street Manager Randy Hunt request funds from the 2018-19 Strategic Plan Budget to fund the following project:**

- **\$20,000 – Replacement of the Henry Street pocket park mural for one that honors our city’s textile heritage.**

**The Strategic Planning Commission at its February 1, 2019 meeting approved these requests. We would like to request that the Mayor and City Council authorize use of funds from the Strategic Plan Account for all the projects included in this request.**

**If you have any questions please feel free to contact me.**

## City Manager's Report – February 2019

### *Take Pride in Your Community and Don't Litter*

We hate litter! There is absolutely no reason for a civilized place to have an issue with litter, but Eden, like most communities, does. Please help us combat unsightly trash around our beautiful city.

There are a couple of ways you can help:

Did you know that littering North Carolina roadways is illegal and can result in fines for those that commit the offense. Some litterbugs simply need to be informed and reminded that littering – whether deliberate or unintentional – can end with a personal commitment to stop.

The North Carolina Department of Transportation has a fantastic program - Swat-A-Litterbug. This program encourages the public to report people who litter in an effort to help make North Carolina roadways cleaner. The program provides every individual an opportunity to be an active participant in reducing litter on North Carolina roadways. It's almost impossible for law enforcement to catch someone dumping litter from a vehicle because who in their right mind would roll down a window and throw out a bag with a police officer behind them? With this program, any citizen can report the offending vehicle and NCDOT will take it from there. If you see someone throw out trash from a vehicle, please visit <https://www.ncdot.gov/initiatives-policies/environmental/litter-management/Pages/swat-a-litterbug-report.aspx> or call the NCDOT Customer Service Office at (877) 368-4968.

NCDOT notifies the vehicle owner of the littering offense; informs the vehicle owner of the penalties for littering; and urges the litterbug to stop littering. A formal notification is signed by the Colonel of the N.C. State Highway Patrol. This letter helps educate and remind citizens of their civic responsibility to protect the environment.

Please keep the area around your property clean by picking up trash that lands on or along it. It is frustrating when someone throws out something and it lands in or next to your yard or it blows off the back of a vehicle and gets caught in your ditch. It's not your fault at all, but picking up the litter and disposing of it if you are able is showing your pride in your property, your neighborhood, and best of all, your city.

Thank you in advance for your willingness to help us in our fight against littering.

### **Eden Youth Council**

Are you ready to serve? The City is currently accepting applications for the 2019-20 City of Eden Youth Council. Membership is open to individuals who live in the Morehead High School Attendance Zone (MHS, college, homeschool or private school students) and are between the ages of 14 and 20.

What can you expect?

- Service opportunities
- Develop leadership and professional skills
- Networking with civic leaders
- Coordinate opportunities for Eden youth
- Great experience to list on resumes and college applications

If you are interested in applying, you can get your application at Eden City Hall - Administration, or Morehead High School Student Affairs Office. For additional information, please contact Jennifer Woods at [jwoods@edennc.us](mailto:jwoods@edennc.us).

### **Economic & Tourism Development Department**

#### **SGRTex Facility**

Two companies are conducting due diligence processes on this Summit Road property. They would both operate the yarn spinning plant and hire 70-80 employees. Decisions may come as early as April of this year.

#### **Rockingham County Economic Development**

Leigh Cochram, formerly of Martinsville/Henry County, VA Economic Development and the Southern Virginia Regional Alliance is the new Rockingham County Economic Development Director. Ms. Cochram has worked with the City of Eden on regional cooperation in her previous role with the Southern Virginia Regional Alliance which is a four-county collaboration including Patrick, Henry, Pittsylvania and Halifax Counties in Virginia.

#### **Walgreens Pharmacy**

The Rite Aid pharmacy located at 109 S. Van Buren Road was formally converted to a Walgreens Pharmacy on February 7, 2019. Walgreens officially acquired Rite-Aid in 2018 and has been converting or closing stores since that time.

### **Eden Drug**

The Eden Drug Education Center received the 2018 Eden Community Appearance Commission Award at the Eden Chamber of Commerce Annual Awards Dinner. The renovations the company made to the Education Center next to its retail store were significant. Eden Drug's Sandra Rakestraw accepted the award on behalf of the retailer.

### **Yano Express Japanese Restaurant—New location**

This long-time restaurant has moved into the former Popeye's Chicken location at Fiddle Stix convenience store located at 700 S. Van Buren Road in Eden. The drive-thru window will add to the convenience of patronizing this business.

### **Lidl**

The status of the Eden store remains "on-hold." Discussions with the Lidl Communications Director in January revealed that the company is continuing to monitor consumer feedback about its operations. They are also focusing on more urban areas as they learn the U.S. market. There will be no change in the Eden building status for at least the next three months.

### **Wright Memorial Event Center**

This facility is located at 184 Slaydon Road on Hwy 770 outside of Eden. It is a wedding, anniversary and other special event venue. They host outside events as well. This summer, they will be adding a barn for outdoor wedding enthusiasts. Those who attended the recent Eden Chamber of Commerce Award Dinner there raved about the accommodations. If you are looking for a beautiful facility for your next event, contact them at 276-620-7479 or email [jamesjeffrey9@aol.com](mailto:jamesjeffrey9@aol.com)

### **John E. Grogan Lifetime Achievement Award Winner—Sylvia Grogan**

Longtime Eden resident Sylvia Grogan was honored as the 2018 John E. Grogan Lifetime Achievement Award Winner at the Eden Chamber of Commerce Awards Dinner. Ms. Grogan moved to Eden when she married her late husband John. She was a teacher at Morehead High School and Rockingham Community College. As Marketing Director for Morehead Memorial Hospital (now UNC Rockingham Healthcare), she was instrumental in establishing the Parrish Nurse Program, Student Health Centers in all four Rockingham County High Schools, and was one of the founders of the Rockingham County Education Foundation. The Student Health Centers and Education Foundation were two of the three Eden projects the City submitted to

become a 2011 All-America City Award finalist and ultimately be selected one of the ten winning communities that year.

One of Ms. Grogan's former students was so impressed with her that she made a significant donation to the privately-funded John E. Grogan Park at Eden City Hall. She also has made substantial donations to Ms. Grogan's church, Leaksville United Methodist. Eden Director of Economic Development Mike Dougherty presented the award to Ms. Grogan. He referred to her as a "Trailblazer of Innovative Programs" who has made a significant difference in the Eden community and was richly deserving of the award. Ms. Grogan's children, grandchildren and close friends attended to help her celebrate this award.

### **Wayfinding Project**

New wayfinding signs have been installed on their former signs throughout the city. The signs are designed to help newcomers navigate their way around the city. Often visitors find it difficult to locate their destinations because Eden does not have a natural streetscape to follow, having been created from the consolidation of three communities more than 50 years ago.

### **Bridge Street Parking**

The newly paved parking lot off Bridge Street that flows behind Washington Street continues its improvements. The lot has been striped and a pedestrian walkway added in the alley leading to Washington Street. Eden Police Administrative Sargent Jim Robertson has completed a traffic study to recommend signage and parking ordinances. Locations for concrete pads to mount the seating benches have been identified. Landscaping and a dedication sign will complete the project. This portion of the project was made possible with a grant from Home Trust Bank. Previous funding was provided by a recommendation from the *Positively Eden* Strategic Planning Commission through the Eden City Council.

### **Fieldcrest Public Space**

This public space in Draper on Fieldcrest road is having its benches installed by the City's Facilities and Grounds Division. Windows were installed in January. Corrugated sliding metal doors should be completed by the end of February. The equipment to install the lighting arrived Friday, February 8. We plan to install the lighting on Saturday, February 16. Funding for this project was provided by a recommendation from the *Positively Eden* Strategic Planning Commission through the Eden City Council.

### **Entrepreneurship Program**

City of Eden representatives, staff from Rockingham Community College and Rockingham County Economic Development staff continue to meet to discuss the R.E.A.P. (Rockingham Entrepreneurial Assistance Program). Identifying clients for recruitment, targeted buildings and outlines for curriculum are main topics. A vacant property owners association was also discussed. The REAP would assist with our objectives found for economic development in the *Positively Eden* Strategic Plan. Plans are being made for the REAP to feed into a future local SCORE chapter involving the City, Eden Chamber, and county partners.

### **Eden Downtown Development Inc.**

Our Planning and Inspections Department is working together with the EDDI to create a pamphlet promoting the QR historical markers that are located in the Old Leaksville Commercial District. We are tentatively planning to call it the Old Leaksville Commercial District Walking Tour. It could include some historical buildings just out of the district also.

### **Henry Street Mural**

The *Positively Eden* Strategic Planning Commission agreed to ask City Council for \$20,000 from monies set aside in the 2018-19 budget to fund a new mural on Henry Street. Artist Brandon Hardison is producing a mock-up of the proposed mural so it can be presented to the City Council.

### **Boulevard Merchants Association**

The Boulevard Merchants Association will be holding their second annual Food Truck Rodeo on Saturday April 13. In addition, continuing the beautification efforts, members voted to change out their sidewalk planters to an Easter tree theme. The work to demolish the former electronics store has begun. Our Municipal Services Department will be replacing faded street signs as well as adding a new directional sign featuring artwork from our recent branding study.

### **Available Property Listing**

The City of Eden website has been updated to include new properties that have become available in the city's downtown commercial areas.

### **Public Art Project**

The public art project supporting painting fire hydrants has had a great response. Hydrants in our downtown areas have been identified as priorities and several local artists have volunteered to take on the project initially. This is open to the public; contact Randy Hunt at [rhunt@edennc.us](mailto:rhunt@edennc.us) for more information.

### **Wire Animal Public Art Project**

We would like to invite everyone to join us as we unveil our six (6) wire animals in Grogan Park located at 308 E. Stadium Drive on Monday, February 25 at 11:00 a.m. A reception will follow and our artist, Josh Cote, will be on site. This has been a very exciting public art project and we think you are going to be amazed!

### **“Did You Know” Videos**

We are creating some new “DID YOU KNOW” videos that will air on WGSR TV, our websites and social media. Let us know if there is a subject dealing with the City of Eden that you would like to know more about. We just might feature it in a new video. Email [cadams@edennc.us](mailto:cadams@edennc.us) with your suggestions.

### **Mad Hatters Tea Party**

Mark your calendars for Saturday, April 27 for the new “MAD HATTERS TEA PARTY” in Grogan Park. This will be a children’s event. Stay tuned for more information.

### **Oink & Ale Barbecue Cookers**

Oink & Ale will take place Saturday, May 11. We will be featuring the band ON THE BORDER – THE ULTIMATE EAGLES TRIBUTE and are expecting a large crowd. We would love to feature some of our local barbecue cookers that day as well. Please call Cindy Adams at 336-612-8049 or email her at [cadams@edennc.us](mailto:cadams@edennc.us) if you are interested in being a part of this fun event.

### **2018 Distinguished Citizen Award – Mike Dougherty**

We would like to congratulate Mike Dougherty, Director of Economic Development for the City of Eden, on receiving the Eden Chamber of Commerce’ 2018 Distinguished Citizen of the Year Award. Mike worked very hard on the ¼ cent sales tax that passed in May and will enable a much needed workforce development center to be built on the campus of RCC. He has also



pursued and received various grants for Mega Park water line project and construction of nature trails that are used by many of our citizens. Mike is also a Board member on the Rockingham County Education Foundation. Mike works hard on a daily basis to help make Eden and Rockingham County the best it can be. Congratulations Mike!

### **Chamber of Commerce 2019 Chairperson – Cindy Adams**

Cindy Adams, Coordinator of Tourism & Special Events/Projects, was installed as the 2019 Chairperson for the Eden Chamber of Commerce Board of Directors on February 5 at the Chamber's Annual Award Dinner. Plans are being made for new After Hours events, a partnership with the City Eden to help fight litter, more educational opportunities, recognizing young people in business, growing the membership and so much more. We hope you will consider joining and help us all make Eden a better place together. Congratulations Cindy!

### **Newsletter**

You can get information about upcoming local events by email through our monthly Explore Downtown newsletter. If you want to subscribe, please send your email address to [godowntown@edennc.us](mailto:godowntown@edennc.us)

## **Engineering Department**

### **Street Resurfacing Projects:**

The Eden City Council approved the award of the FY 2018-19 Street Resurfacing Contract, No. 2 to Waugh Asphalt, Inc. on January 15. The Notice of Award and the Notice to Proceed have been issued to the Contractor. Construction is tentatively scheduled to start sometime in April.

### **Restriping of Country Club Drive:**

Triad Road Maintenance installed the new pavement markings on Country Club Drive between Stadium Drive and Greenway Street on February 7. The changes included the addition of a third lane of traffic designated as a right turn lane to accommodate the vehicles parked along the west side of the street prior to the afternoon release.

### **NCDOT State Resurfacing Schedule**

City staff received a list of state roads scheduled to be resurfaced this year. The list includes portions of NC14, Kings Highway, Landfall Drive, Short Union Street, Lincoln Loop, Aiken Road, Summit Road, Friendly Road, Northridge Drive and Wilshire Drive.

### **Waterline Replacement Projects Update**

Reports showing that the water samples taken from the new water main installed along Ridge Avenue passed the bacteriological analysis testing were received on January 14. A crew from City's Plumbing and Pools, Inc. made three new water taps the next day, and completed making the last water tap and reconnection on January 16. The crew dug a couple days later at the intersection of N. Hale Street and Ridge Avenue to see how the old 2-inch galvanized water main connected to the 6-inch water main. Due to the lack of a valve or corporation stop at the connection to the larger line, the crew will return at a future date to cut and plug the old water main after a CodeRED announcement has been sent out for the area expected to be temporarily impacted by shutting down the water.

Joyce Backhoe Services, Inc., low bidder for the Morehead Street WL project, dropped off the last of the required contract documents on January 23. Based on the current workload, a notice to proceed date of February 6 was established. A meeting was held on February 6 to discuss possible shifting of the proposed alignment a short distance to the south for a portion of the street. A subcontractor was on site a couple days later to saw cut the asphalt pavement for about half the project. A crew was on site Wednesday the 13 to dig and locate a few marked utility mains at the intersection of Glovenia Street and Morehead Street. After making a wet tap there, the crew will proceed with the installation of a 6-inch diameter water main towards Hollingsworth Street.

A pre-construction meeting for the Jackson Street and W. Moore Street waterline replacement project was held on February 5, with representatives from Alley, Williams, Carmen & King, Inc. presiding. Executed contract documents were handed out to the various parties after the notice to proceed date of February 18<sup>t</sup> that City's Plumbing and Pools, Inc. asked for was agreed upon. Submittals for materials to be used during the project have been received, reviewed and approved. Depending on weather and delivery of materials, work should begin on the installation of about 900 feet of 6-inch diameter water main during the week of February 18 – 22.

Two versions of revised plans for the West Avenue waterline replacement project were received from Stoltzfus Engineering Inc. during January, with the second version including a sheet of detail drawings. A few comments were sent on January 28<sup>t</sup> for use during preparation of the final drawings. A signed application for the water main extension was sent to the engineering firm on February 6. Contract and bid documents should be finalized on February 13, and a bid opening date has been set for March 5 for the project that will include the installation of about 550 feet of 6-inch diameter ductile iron pipe, and about 120 feet of 2-inch diameter schedule 80 PVC pipe.

### **Fire Department**

The Eden Fire Department played host to sixty kindergarteners from Douglass Elementary School on February 8. The children were treated to a variety of activities including a fire truck demonstration, which allowed the children to get a close up view of the inside of a firetruck and explanation about the equipment and how it is used. During the visit, the children were given a fire safety message on the importance of smoke detectors and practicing a home escape plan with the rest of the family.

### **Information Technology**

February is traditionally the coldest month of the year for us Southerners. While you're layering on your sweater and heavy coats, now is a good time to start thinking about layering your online security. Just like those extra layers of clothing keeps you warmer, extra layers of security will keep your personal information and bank account safer.

The first and most important layer is making sure you're using a different password for each and every online account you have. I know that sounds like a hassle, but, if your password is exposed as part of a data breach, hackers now have the keys (your password) to all of your online accounts. Using a different password for every site ensures that when a breach happens, your other accounts are safe.

Password managers make using different passwords for all of your accounts a whole lot easier. Some great free options are:

LastPass <https://www.lastpass.com>

Dashlane <https://www.dashlane.com>

KeePass <https://www.keypass.info>

The second, and perhaps most important layer is two factor authentication. Two factor authentication (2FA), sometimes referred to as two factor identification, is an additional layer of protection beyond your password. It significantly decreases the risk of a hacker accessing your online accounts by combining your password (something you know) with a second factor, like your mobile phone (something you have). Even if a hacker has your username and password, they still would not be able to access your accounts. Many of the world's largest websites have made 2FA readily available from the security settings of your online accounts, but it's up to you to turn on this free feature.

How you access and turn on 2FA is different for every site or service you use. Telesign has put together some tutorials on how to turn on 2FA for specific applications, online services, and social media. <https://www.turnon2fa.com/>

You can find tutorials on some of the more popular sites and services here:

<https://www.turnon2fa.com/tutorials/>

### **Municipal Services Department**

#### **Compost for Sale**

The City of Eden will be offering compost for sale on the following Saturdays: March 30<sup>th</sup>, April 6<sup>th</sup> and April 13<sup>th</sup> from 7:00am to 2:30pm. Costs are as follows: pick up load - \$5, Tandem axle trailer \$15 and large dump trucks \$25 each.

#### **Code Red Notification System**

The City of Eden has a Code Red Notification System to help make residents aware of changes to garbage collection due to weather or holiday closings, missing persons and any road closures. The system is also used for other public service and emergency related announcements. If you are not receiving the notifications and are interested in being included, please contact Georgette Spence at 336-623-2110 option 3 and have your name and number(s) added to the Code Red notification list. If you are an Eden resident, there is no cost to receive these notifications.

#### **Reminder Concerning Snow Events**

During snow events, our Municipal Services Department requests that all residents avoid parking their car(s) on the roadway. Please park any and all cars OFF the roadway, if possible. This would allow better access for the snowplows to clear the roadway in a timelier and efficient manner, thereby allowing all residents access to clear roads much faster. Thank you so much for your assistance.

### **Parks, Recreation & Facility Maintenance Department**

#### **Community Accents Program & Parks & Recreation Radio Program**

Staff will be participating in the Community Accents Program with WLOE (Wonderful Land of Eden) radio on February 8 and will be participating in the same program again on March 8. In addition, staff participated in the Parks & Recreation Radio Program with WLOE on January 23 and will be participating in the same program again on February 27 to update the public on our recreational program offerings during the months of March and April. We remain involved in these community outreach efforts in an effort to update residents about the programs being offered by our Parks & Recreation Department.

### **Be Healthy Rockingham County**

Staff continues to be involved with Be Healthy Rockingham County initiative. They attended the Be Healthy Rockingham County meeting on February 13 and will attend the next meeting scheduled for March 13.

### **Freedom Park Splash Pad Update**

VORTEX is continuing their work on the construction of the splash pad and should be completed by May 30, weather permitting. Cirrus Construction has received the building permit for the bathhouse and construction is scheduled to begin before the end of this month, weather permitting.

### **Matrimony Creek Greenway Parking Lot**

The Matrimony Creek Greenway Parking Lot will be paved in the spring of this year.

### **Freedom Park Walking Track and Road Repairs**

The Freedom Park parking lots were re-stripped the week of January 25 – 27 and the Freedom Park walking track will be completed in the spring of this year.

### **Collaboration with UNC-Rockingham Health Care**

Staff has met with Liz Penn, Director of Rehabilitation Therapy & Sleep Center, at UNC-Rockingham Health Care, and the City will be collaborating with them to provide workshops at the Garden of Eden Center. These will include Build Your Bones Workshop, Falls Prevention, and Change Your Joint Pain to list a few. They will also be working with Terry Vernon, Athletic Director, to provide workshops on Injury Prevention/Education Screening and Functional Movement Screening. All of these services will be free. A schedule for these offerings will be planned in the upcoming months and advertised accordingly.

### **Chiller & Cooling Tower for Eden Municipal Building**

The installation of the new Chiller and Cooling Tower for the Eden Municipal Building will begin on February 16 and will be completed by mid-April.

### **Softball Tournaments @ Freedom Park**

There was a NSA Softball Tournament at Freedom Park on February 9. In addition, there is a USSSA Tournament at Freedom Park February 23–24, NSA Tournament March 2-3, Freedom Sports Tournament March 9-10 and a USSSA Tournament March 16-17.

### **Planning & Inspections Department**

#### **Code Enforcement**

The paperwork to start the non-residential maintenance actions against the Eden Mall, Kingsway Plaza and old Winn Dixie Shopping Center is being prepared and will be sent out during the week of February 11-15. This comes as a result of many complaints concerning the parking lots at each of these facilities along with other apparent violations.

Monthly statements were mailed to all property owners that owe the City of Eden for abatements during the first week of February.

#### **1220 Front Street**

Since the last report, we have sent yet another violation notice to the owner of 1220 Front Street. We have a court date set for February 21, to hear the case. Our last Notice of Violation included a Notice of Chronic Violator, which allows us to clean up the junk without further notice this year.

#### **Planning Commission**

##### **Zoning Case Z-18-06**

Prepared case report to amend Section 11.22 General Provisions to include provisions pertaining to regulation of Disabled Motor Vehicles and to amend Section 11.29(a) Definitions to include a definition for Disabled Motor Vehicles. The Planning Board has recommended that the request be approved. It will go to Council in February.

##### **Zoning Case Z-19-01**

Prepared case report and maps for request to rezone property located at 354 W. Meadow Road from O & I to BG. The Planning Board recommended that the request be approved. It will go to Council in February.

### **Demolitions**

At the November 2018 regular meeting, the City Council approved the demolitions of seven properties

### **Stadium Drive Sidewalk**

A representative from NCDOT recently came and met with staff regarding this project. NCDOT has requested that the funds be released for the engineering and design work. NCDOT has a particular set of standards concerning the way grants like the one we received are handled. We are working on a Request for Proposal document so that when we receive final clearance, the documents will be ready to be sent to prospective firms and to be advertised.

### **Community Appearance Commission**

The Community Appearance Commission met on February 5. They discussed plans for a citywide clean up during “Great American Cleanup” (Mar. 1 – May 31) and discussed ideas to involve civic groups, church groups and school groups. They also discussed issues with parking lot maintenance (particularly Kingsway Center, the Eden Mall and the old Winn Dixie shopping center on the west side of town.). It was determined that this could be addressed using the non-residential maintenance code, and the Commission wishes to follow through with this. Inspectors have inspected these parking lots and notices will be sent to property owners for violations. Each Commission member took an area of the City to do a “litter assessment” as well as a sweep for junk, junk cars, and other nuisance issues. From this, we will target areas for cleanup and try to develop an anti-litter campaign.

### **Historic Preservation Commission**

The Historic Preservation Commission met on February 11. Staff has prepared a list of all historic properties currently in our inventory. Each Commission member took an area and they will do an assessment of the condition of our historic properties (vacant, occupied, drastically altered, demolished, etc.). Commission members discussed the possibility of creating some type of revolving fund or incentive grant (“carrot vs stick”) to encourage historic property owners to help maintain or make repairs to their properties. We will come up with a plan to propose to City Council to test the viability of this plan. The members also discussed issues with non-residential maintenance with plans to push for better enforcement of this before a building gets in too bad a shape that there is no choice but to demolish. Also discussed reviving the historic walking tour.

### **Historic Walking Tour**

Staff has met to discuss reviving the walking tour in the Leaksville area. We will be working on maps and brochures, with the idea of expanding this to other areas of the city, possibly initiating “heritage tours” in each area.

### **Eden Single Family Rehabilitation Program Proposal**

In our preparations for the FY 2019-20 budget, we have prepared a draft of a City funded Single Family Rehabilitation Program. In light of changes and limitations to grants available to the City, we believe that we must act to assist our citizens. If approved, the program will address the following:

1. Life Safety issues
2. Energy Conservation
3. Appearance and General Upgrades

We plan to model the program after the old Single Family Rehab grant programs from the State. We will include the same protections (Deed of Trust) to prevent us giving grants and then owners taking the windfall and selling. We will report more on this in the future.

### **Police Department**

#### **Data-Driven Approaches to Crime and Traffic Safety (DDACTS) Training**

On January 22 and 23, the police department administration and supervisors received training on Data-Driven Approaches to Crime and Traffic Safety (DDACTS). This training integrates location based crime and traffic data to establish effective and efficient methods for deploying law enforcement and other resources. Using GIS mapping to identify areas that have high incidences of crime and crashes, DDACTS uses traffic enforcement strategies that play a dual role in fighting crime and reducing crashes and traffic violations. We believe this will be a beneficial tool to strategically target crime in our community.

#### **Junior Achievement Program**

The Eden Police Department will be participating in the Junior Achievement Program, for the second year, at Central Elementary. Junior Achievement helps students realize that the education they are getting today will help them to have a bright future tomorrow. Junior Achievement is a unique volunteer delivered program that helps show the students all of the possibilities that lay



before them. Junior Achievement programs foster work-readiness, entrepreneurship and financial literacy skills by using experiential learning to inspire students to dream big and reach their potential. Junior Achievement of the Triad is expanding the program at Central Elementary this year to include a kindergarten and first grade class and we have two officers who have volunteered to provide the classes, Sergeant David Stepps and Lieutenant David Lamberth.

### **Facebook and Outstanding Warrants**

On January 29, we implemented a new power point presentation (video) for individuals with outstanding warrants. This power point presentation will be utilized on our Eden Police Department Facebook page every three to four weeks. The slide show highlights individuals with outstanding warrants to include a photo, name, and current outstanding charges. This will be another way of keeping our citizens informed and up to date by the Eden Police Department.

### **Public Utilities**

#### **2018 Drinking Water Quality Report is Now Available**

The City of Eden Water Filtration Plant has released their 2018 Water Quality Report, detailing specific information pertaining to the quality of drinking water that it provides to its customers. As part of a U.S. Environmental Protection Agency mandate, water utilities across the country produce annual reports that are designed to educate and inform consumers. This report is an opportunity for the public to understand what is involved with making the water safe. The report is available at <https://www.edennc.us/DocumentCenter/View/11061/2018-Water-Quality-Report> If you would like a printed copy of the report, it is available in the Billing and Collections Department at City Hall, 308 E. Stadium Drive, Eden, NC.

CITY OF EDEN, N.C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, January 15, 2019 at 6:00 p.m. in the Council Chambers, 308 E. Stadium Drive. Those present for the meeting were as follows:

Mayor:	Neville Hall
Council Members:	Bernie Moore
	Jim Burnette
	Angela Hampton
	Darryl Carter
	Jerry Ellis
	Jerry Epps
	Sylvia Grogan
City Manager:	Brad Corcoran
City Clerk:	Deanna Hunt
City Attorney:	Erin Gilley
News Media:	Bob Tudor, Rockingham Update

MEETING CONVENED:

Mayor Hall called the regular meeting of the Eden City Council to order and welcomed those in attendance. He explained that the Council met the third Tuesday of each month at 6:00 p.m. and worked from a prepared agenda; however, time would be set aside for business not on the printed agenda.

INVOCATION:

Pastor Wayne Parlier of Meadow View United Methodist Church gave the invocation followed by the Pledge of Allegiance led by Fire Chief Tommy Underwood.

RECOGNITIONS & PROCLAMATIONS:

- a. Recognition of Nick and Cindy Freitag.

Mayor Hall called on Economic Development Director Mike Dougherty.

Mr. Dougherty asked the Freitags to come forward. He said the couple had lived in Eden 10 years. Mr. Freitag, Vice President of Wholesale Distribution Printwear at Gildan, was retiring effective February 1. Mr. Dougherty said it would be a loss for Eden. Mr. Freitag had made many significant contributions to the Eden community.

Mayor Hall read the Proclamation honoring Mr. Freitag.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Mr. Dougherty said Ms. Freitag had stood beside her husband during his work. She served on the Eden Board of Cooperative Christian Ministries and was a frequent volunteer at the Eden Salvation Army Christmas Angel Distribution Day. She had been a preschool teacher at Leaksville United Methodist Church. Mr. Dougherty presented her with a gift basket that contained Eden memorabilia.

Mr. Freitag thanked everyone including the community for opening their hearts to him and his wife. Eden was a great place to live and to work. He said Gildan’s management staff would continue to make the company prosper in Eden.

PROCLAMATION HONORING NICK FREITAG

WHEREAS, Gildan VP of Wholesale Distribution Nick Freitag came to Eden in 2008 and has presided over one of the fastest growing industries in the Piedmont Triad, its 4th largest distribution center, and largest Eden industrial employer; and

WHEREAS, from the time he arrived in Eden, Nick has given back to the community, with event sponsorships, financial support for special projects such as the 2011 Eden All-America City Award campaign, the development of the John E. Grogan Park, and with complimentary T-shirts for the annual Get Fit Eden and Rockingham programs; and

WHEREAS, Nick encouraged his staff to participate in programs such as Leadership Rockingham, volunteer to be members of the Eden Chamber of Commerce Board of Directors, and support vital organizations such as the Rockingham Education Foundation that is giving Rockingham County students a better future; and

WHEREAS, when corporations leave a community, it often creates a vacuum that is difficult to fill. However, under Nick’s leadership, Gildan has quietly filled the void left by them and become our most generous corporate citizen in many ways; and

WHEREAS, Nick was the recipient of the 2016 Eden Chamber of Commerce Distinguished Citizen Award for his support for Eden, and this community will suffer a significant loss as a result of his retirement;

NOW, THEREFORE, BE IT RESOLVED that the Eden City Council does hereby honor Nick Freitag for his expertise in leading Gildan and his concern for the welfare of Eden and Rockingham County and wish him, his wife Cindy and his family the very best in the future.

This the 15th day of January 2019

CITY OF EDEN

BY: Neville A. Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

- b. Recognition of Reflections of Spray, NC, Facebook Group Old Spray Cemetery Volunteers.

Mayor Hall called on Mr. Charles Terry to come forward. Mayor Hall explained Reflections of Spray, NC, was a Facebook group who shared memories of growing up in Eden, especially the Spray area. The group took it upon themselves to clean up the Old Spray Cemetery. Many people complained about how things looked and what they wanted to see done, but not many people

January 15, 2019

City of Eden, N.C.

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stepped up and did it. That group did. He noted that Mr. Sam Lewis was not present but was a big part of organizing the clean up.

Certificate of Appreciation

WHEREAS, in the autumn of 2018, members of the recently created Reflections of Spray, NC, Facebook Group learned about the deteriorated condition of the Old Spray Cemetery located on Church Street.

WHEREAS, the members of the Group determined there was no caretaker responsible for the cemetery but they would clean it up out of respect for those buried there.

WHEREAS, on November 10, 2018, volunteers met at the cemetery for a clean-up day. They have restored the cemetery sign, painted the fence by the street and even decorated the cemetery for the holidays.

WHEREAS, with no idea of ever being recognized for their efforts, these volunteers selflessly acted to better our community, restoring pride to an area in need. We hope their actions inspire others to do the same.

NOW, THEREFORE, by the authority vested in me as Mayor of the City of Eden, the Eden City Council bestows upon the Reflections of Spray Facebook Group Old Spray Cemetery Volunteers this Certificate of Appreciation this the 15th day of January, 2019.

Neville Hall, Mayor

c. Proclamation: Martin Luther King, Jr. Day.

Mayor Hall read the Proclamation.

A Proclamation to Designate January 21<sup>st</sup>, 2019  
as Martin Luther King, Jr. Day

WHEREAS, January 21, 2019, marks the observance of the Federal legal holiday, established by Public Law No. 98-144, to honor the birthday of the Reverend Dr. Martin Luther King, Jr., and

WHEREAS, Dr. King dedicated his life to a vision: that all Americans would live free from injustice and enjoy equal opportunity. His peaceful and lifelong crusade against segregation and discrimination brought our communities closer to the founding ideals set forth in the Declaration of Independence and the Constitution; and

WHEREAS, as we honor Dr. King, we know that our community is stronger, more just, and more free because of his life and work; and

WHEREAS, in paying tribute, we are reminded that the call lies with each of us to fulfill Dr. King's work. Let us use our time, talents, and resources to give back and help those less fortunate. Let us not forget Dr. King's own tireless spirit and efforts as we work, celebrate, and pray alongside each other.

NOW, THEREFORE, BE IT PROCLAIMED that I, Neville Hall, Mayor of the City of Eden, hereby designate January 21, 2019 be set aside as Martin Luther King, Jr. Day in the City of Eden and urge all citizens to join with me this day to apply Dr. King's life and teachings of community service.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 15<sup>th</sup> day of January, 2019.

CITY OF EDEN

By: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

SET MEETING AGENDA:

Mayor Hall said it was a great pleasure that all Council Members were present. There was an addition to the agenda under Unfinished Business, item 10a. Board and Commissions Appointments. A motion was made by Council Member Ellis to approve the agenda as amended. Council Member Carter seconded the motion. All members voted in favor of the motion. The motion carried.

PUBLIC HEARINGS:

- a. Consideration and adoption of an Ordinance annexing 204.747 acres owned by the City of Eden. A-18-03.

Mayor Hall declared the public hearing open and called on Planning and Inspections Director Kelly Stultz.

Ms. Stultz said they began the process the previous month to annex the City-owned property and it was a much simpler task to annex than privately owned property. Staff recommended annexation of the property.

Mayor Hall asked if anyone would like to speak in favor or opposition. He said as they all knew, the land was bought by the City with the intention of annexation. As no one came forward and there was no further discussion, Mayor Hall declared the public hearing closed.

A motion was made by Council Member Epps to approve the adoption of an Ordinance annexing 204.747 acres owned by the City of Eden. Council Member Hampton seconded the motion. All members voted in favor of the motion.

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF  
THE CITY OF EDEN, NORTH CAROLINA

WHEREAS, the City Council of the City of Eden has adopted a Resolution under N.C.G.S. 160A-58.7, stating its intent to annex the area described below; and

WHEREAS, a public hearing on the question of this annexation was held in the Council Chambers at 308 E. Stadium Drive at 6:00 p.m. on January 15, 2019, after due notice; and

WHEREAS, the City Council of the City of Eden finds that the proposed annexation meets the requirements of N.C.G.S. 160A-58.1(b), as follows:

- a. The nearest point on the proposed satellite corporate limits is not more than three (3) miles from the primary corporate limits of the City of Eden;
- b. No point on the proposed satellite corporate limits is closer to the primary corporate limits of another city than to the primary corporate limits of the City of Eden;
- c. The area is so situated that the City of Eden will be able to provide the same services within the proposed satellite corporate limits that it provides within its primary corporate limits;
- d. No subdivision, as defined in G.S. 160A-376, will be fragmented by this proposed annexation;

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- e. The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, does not exceed ten percent (10%) of the area within the primary corporate limits of the City of Eden; and

WHEREAS, the City Council of the City of Eden further finds that the annexation of the area is in the public interest;

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Eden, North Carolina, that:

Section 1. By virtue of the authority granted by N.C.G.S. 160A-58.7, the following described noncontiguous property owned by the City of Eden is hereby annexed and made part of the City of Eden as of January 15, 2019:

Being all of Parcel "A" containing 204.747 acres, more or less, as the same is shown and more particularly described on that plat entitled "Boundary Survey of Property Owned by: Hopkins, LLC," prepared by ESP Associates, P.A., dated October 9, 2014, and recorded June 4, 2015, in Map Book 75, page 55, Rockingham County Registry, which is incorporated herein by reference.

Section 2. The Mayor of the City of Eden shall cause to be recorded in the Office of the Register of Deeds of Rockingham County, and in the Office of Secretary of State in Raleigh, North Carolina, an accurate map of the annexed property, along with a certified copy of this Ordinance. Such a map shall also be delivered to the Rockingham County Board of Elections, as required by N.C.G.S. 163-288.1.

Adopted this 15th day of January, 2019

CITY OF EDEN

BY: Neville A. Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

APPROVED AS TO FORM: Erin B. Gilley, City Attorney

- b. (1) Consideration of a zoning text amendment request and adoption of an Ordinance to amend Section 11.24(o) of the City of Eden Zoning Ordinance to allow recycling facilities as a permitted use in the Industrial – 2 District.
- (2) Consideration of a Resolution adopting a statement of consistency regarding the amendment of Section 11.24(o) of the City of Eden Zoning Ordinance to allow recycling facilities as a permitted use in the Industrial – 2 District.

Mayor Hall declared the public hearing open and called on Ms. Stultz.

Ms. Stultz said the City received a zoning text amendment request filed by Charles Clark to amend Section 11.24(o) to allow recycling centers in Industrial-2. Mr. Clark asked the City to take recycling facilities out of Industrial-3 (I-3) and allow them in Industrial-2 again. The I-3 District and the Special Use Process were recently created for those types of intense industrial uses, particularly those with noxious odors and that kind of thing. Mr. Clark's impetus was the same property on Friendly Road that had been before Council prior. There was some expensive property on the site, but the bottom line was it was a rural residential area. Staff and the Planning Board recommended denial of the text amendment.

Mayor Hall asked if anyone would like to speak in favor or opposition. As no one came forward and there was no further discussion, he declared the public hearing closed.

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A motion was made by Council Member Epps to deny the zoning text amendment request and adoption of an Ordinance to amend Section 11.24(o) of the City of Eden Zoning Ordinance to allow recycling facilities as a permitted use in the Industrial – 2 District and to approve a Resolution adopting a statement of consistency regarding the amendment of Section 11.24(o) of the City of Eden Zoning Ordinance to allow recycling facilities as a permitted use in the Industrial – 2 District. Council Member Moore seconded the motion. All members voted in favor of the motion.

A RESOLUTION ADOPTING A STATEMENT OF CONSISTENCY REGARDING  
A PROPOSED AMENDMENT TO THE CITY OF EDEN ZONING ORDINANCE  
CASE NUMBER Z-18-07TEXT AMENDMENT

WHEREAS, pursuant to North Carolina General Statutes Chapter 160A-383, prior to adoption or rejection of any zoning amendment, the Eden City Council is required to adopt a statement as to whether the amendment is consistent with the Land Development Plan and why the City Council considers the action taken to be reasonable and in the public interest;

WHEREAS, on August 21, 2007, the Eden City Council adopted the Land Development Plan. Plans such as the City of Eden Land Development Plan are not designed to be static but are meant to reflect the City of Eden’s needs, plans for future development and to remain in compliance with North Carolina State Law and the City of Eden’s ordinances;

WHEREAS, the City of Eden Planning Board received a request for an amendment to the Zoning Ordinance to amend Section 11.24(o) to allow recycling facilities as a permitted use in the I-2 district.

WHEREAS, On January 3, 2019, the City of Eden Planning Board voted to recommend to the City Council that the request be denied.

STATEMENT OF NEED:

Staff is of the opinion that this request would not be appropriate for the Industrial–2 Zoning District. The I-2 Industrial District is established as a district in which the principal use of land is for industries that by their nature may create some nuisance and which are not properly associated with nor compatible with uses in other zoning districts. Recycling facilities may include a variety of recycling – paper, plastic, scrap metals, etc. – and to allow such facilities, without specifics, in any I-2 district, could be detrimental to the surrounding areas, depending on which type of recycling is allowed and the impact to the area. This is why specific types of recycling, such as scrap metal recycling, are listed as permitted uses in other, more intense zoning districts. Staff is of the opinion that to allow the broad category of “recycling facilities” as a use-by-right could be detrimental to surrounding areas.

STATEMENT OF CONSISTENCY:

The goals of the 2007 City of Eden Land Development Plan, as amended, are to make smart growth decisions by carefully managing growth to:

- A. Strategically locate new land development in the most appropriate places.
- B. Maintain and enhance Eden’s community character and heritage.
- C. Use infrastructure investments as effectively as possible.
- D. Attract new jobs and a more diverse tax base.
- E. Protect natural, cultural and historic resources and open space as we grow.

WHEREAS, The Eden City Council has considered the written recommendation of the City of Eden Planning Board and has held a public hearing on the proposed amendment, and the Council desires to adopt a statement describing why the adoption of the proposed amendment is inconsistent with the City of

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Eden Land Development Plan, as amended, and why the City Council considers the proposed amendment to be unreasonable and not in the public’s best interest;

NOW THEREFORE, BE IT RESOLVED BY THE EDEN CITY COUNCIL THAT:

1. The Eden City Council finds that the proposed amendment to the City of Eden Zoning Ordinance is not consistent with the goals and recommendations of the 2007 City of Eden Land Development Plan, as amended.
2. At no time are land use regulations or plans of the City of Eden or any jurisdiction in the State of North Carolina permitted to be in violation of the North Carolina General Statutes.
3. Therefore, based upon the foregoing information, the amendment to the Zoning Ordinance is unreasonable and not in the public’s best interest.

Approved and adopted and effective this 15th day of January, 2019.

CITY OF EDEN

BY: Neville A. Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

REQUESTS AND PETITIONS OF CITIZENS:

Mayor Hall asked City Attorney Erin Gilley to read the City’s policy for the speakers.

Ms. April Blackstock, 241 The Boulevard, represented The Boulevard Merchants Association. She thanked the City for all of the improvements to The Boulevard like repaving the streets, adding new stoplights and allowing the Merchants Association to have fundraisers while providing assistance with the process. She thanked the City for help with the demolition of abandoned buildings and homes along The Boulevard. The crime in the area had recently decreased due to addition of new businesses and the Merchants Association. They would love to have new businesses come into the area and improve the area to bring money back into Eden, but to achieve that, the Merchants Association would need help from the City with code enforcement, removal of awnings, new sidewalks, new lighting and direction signs. Once the two buildings were demolished, they would love to see parks put in as replacements. The improvements should bring new businesses and foot traffic to the area. They wanted The Boulevard to be the best street possible and with the City’s help and the merchants’ hard work and dedication, it should be.

Audit Presentation

- a. Presentation of 2017-2018 Audit by Rouse, Rouse, Rouse & Gardner.

*A copy of the City Manager’s Audit Synopsis can be found in the Office of Administration.*

Ms. Judy Rouse of Rouse, Rouse, Rouse & Gardner presented the audit report. She explained that their firm Rouse, Rouse, Penn and Rouse had been in Eden for 52 years, but as of January 1, they had a new partner, Trevor Gardner. Mr. Gardner, from Eden, had worked for them for the last two years and had a master’s degree in accounting from UNCG. He passed the CPA exam in February 2018 and they were delighted to have him as part of their team.



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In the audit report on page 1, Ms. Rouse read “we have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Eden as of and for the year ending June 30, 2018 and the related notes to the financial statements which collectively comprised the City’s basic financial statements.”

Ms. Rouse said to look at page 2. She read “in our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Eden as of June 30, 2018, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.” She said the City had a clean opinion on their financials.

She said the audit was prepared based on the State and Federal uniform guidance and with the implementation of the Governmental Accounting Standards Board (GASB) Statement, including Statement 75. The Eden ABC Store Financial Statement was also included in the report.

Ms. Rouse said the City Manager’s Synopsis Report had been reviewed and found to be very complete and accurate. They were pleased to note the city manager had addressed each comment they presented in the Management Letter. As the Finance Department employees received additional continued education in governmental accounting and another year of experience, the financial reporting continued to improve. Therefore, the number of adjusted entries to bring the audit report in full compliance had remained for many years at an extremely low level.

In the footnotes to the financial statement, she pointed out on page 83, A Change in Accounting Principle, the City implemented GASB Statement 75 - Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions in fiscal year ending in June 30, 2018. The implementation of the Statement required the City to report beginning total OPEB (Other Post-Employment Benefits) liability, which were the retirees’ benefits. The total OPEB liability and the effects on net position or benefit payments and administrative expenses paid by the City related to OPEB during the measurement period fiscal year ended June 30, 2017. Beginning deferred outflows and inflows of resources associated with implementation were excluded from the restatement. As a result, net position for the governmental activities decreased \$4,416,710, and in the business-type activities, which was the water and sewer fund, decreased \$922,150. That was a new requirement that had affected all of the municipalities in North Carolina that furnished any benefits to retirees. It had been a problem nationwide and one of the cities that had to deal with it was Detroit, who went bankrupt. One of the things that all municipalities needed to do was look at what they were providing for retirees. The OPEB liability for the City, the total liability for the governmental activities and the water and sewer fund was \$6,969,655. To calculate the figure, they looked at the number of households the City furnished water to (6,900) divided by the City’s OPEB liability for an estimated cost of \$1,010 per household. Ms. Rouse said that was a low number compared to what they had seen numbers be for a small town and she was pleased with Eden’s number. They did research with Brookings Institute, a think tank, and found six strategies to help keep the OPEB liability under wraps. The firm met with the city manager and

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the Finance Department the previous week to look at the strategies to see which ones the City had already implemented. She was pleased to note that five out of the six were already implemented. She wanted to point out one of the most important strategies at the bottom of page 59, which said “any employee hired after April 17, 2018 shall not qualify for payment of all or part of the health care and dental care insurance premium upon retirement and shall not qualify for participation in the City’s health and dental insurance policy.” That was major because the City could not keep the continuing liability going. Not only was the City management considering the liability, the self-insured fund group administrator was making recommendations to the City. The change in retiree benefits was a positive thing for the City to get ahead of the game making needed revisions for future Councils and future citizens of Eden.

### **General Fund**

She noted on page 92 that the Fund Balance in the General Fund increased from \$8,722,152 to \$9,408,745, an increase of \$686,593. In the prior year, the Fund Balance increased \$130,006. At the top of page 92 under cash, there was an increase from \$7,472,178 to \$8,473,756 or \$1,001,578. In the middle of page 92, it indicated Total Liabilities in the General Fund increased by \$146,279 from \$1,084,673 for 2017 to \$1,230,952 for 2018. Near the bottom of the page, the information indicated that the Fund Balance available for appropriations or the unassigned fund balance equaled \$6,612,247.

On page 108, under Total Expenditures, the total actual expenditures for the General Fund amounted to \$16,596,728. One-twelfth of that amount multiplied by three months was \$4,149,182. Therefore, the amount unassigned at June 30, 2018 was \$2,463,065 above the three months of operating expenses or 39.84% of annual expenditures. The City Council voted in 1998-99 to keep an unassigned fund balance equal to at least three months operating expenses. The Fund Balance available was comprised of amounts shown as what was restricted, committed, assigned or unassigned according to the Local Government Commission and using that theory, the Fund Balance for Eden was 55.27% of expenditures. The 2017 average statewide level of total Fund Balance maintained by municipalities, without electric and with a population in the City of Eden’s range between 10,000 and 49,999, was 56.11%. Eden was slightly under the State average.

At the bottom of page 94, the budget revenues were \$14,890,000 and the actual revenues were \$14,972,326 for a favorable variance of \$82,326. Overall, the revenues for the General Fund were up from the prior year of \$14,680,223 by \$292,103.

Ms. Rouse said the City Manager’s Synopsis provided detail about the variances; therefore, she would not speak as much about that.

On page 108, the budgeted operating expenditures were \$17,774,600 and the actual expenditures were \$16,596,728. It was a favorable variance of \$1,177,872. Overall, the expenditures for the General Fund were up from the prior year by 9.65% from \$15,136,237 in 2017. The Water & Sewer Fund reimbursed the General Fund for expenses within the General Fund related to Water & Sewer activities. She was happy to note that no department within the General Fund was over budget. The General Fund had Utility User Fees paid from the Water & Sewer Fund to the

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General Fund for \$2,071,393. It was an increase of \$394,556 from the 2017 reimbursement total of \$1,676,837. It was due to projects related to the EPA mandate.

### **Water & Sewer Fund**

Ms. Rouse said page 115 contained a balance sheet for the Water & Sewer Fund of the full accrual basis, which meant the OPEB liability was a line item on the balance sheet. It was not on the General Fund balance sheet, but was included in the front of the report on the lifttables.

Page 115 included the Comparative Balance Sheets for the Water & Sewer Fund that compared the period ending June 30, 2018 to the period ending June 30, 2017. It indicated the net assets in the Water & Sewer Fund decreased from \$48,325,221 to \$47,769,488. The information at the top of the page indicated that the Cash & Investments decreased from \$7,210,128 in the prior year to \$5,190,502 for FY 2017-18. Total assets and deferred outflows of resources at June 30 totaled \$64,514,382 compared to the prior year which was \$66,051,588. Total liabilities in the Water & Sewer Fund decreased from \$17,700,654 as of June 30, 2017 to \$16,672,037 as of June 30, 2018. The liabilities also decreased because of paying off another year on anything financed or the bonds that were financed.

Ms. Rouse said the Income Statement for the Water & Sewer Fund was on page 116. The Water & Sewer Fund Operating Revenues amounted to \$10,241,441 for FY 2017-18 compared to \$9,690,519 for the prior year. Sewer charges increased due primarily to revenues received from Duke Energy for the treatment of their leachate. The Capital Contributions increased by \$579,412 due a Special Legislative Grant for the Covenant Branch sewer project and funds received for Tornado Reimbursement. Total Operating Expenses increased from \$10,243,907 in 2017 to \$10,257,849 in 2018. The Depreciation Expense decreased by \$356,244 from \$2,929,069 during FY 2016-17 to \$2,572,825 during FY 2017-18. There was another year of depreciation and it went down each year. As the improvements to the water and sewer system were being done, those items would not start depreciating until put into operation. There would be construction in process.

Ms. Rouse said it was a consolidated full accrual of the Water & Sewer Fund. In the prior year, the City had moved the Mega Park Waterline Project and the EPA Administrative Order of Consent into two separate funds, but on the statement that she had just reviewed all of those funds were included together.

On the same page, the Non-Operating Income was \$73,216 from \$43,224 during FY 2016-17 and the Interest Expense for FY 2017-18 was \$269,803 from \$292,374 during FY 2016-17. With payment on the bonds and other installment loans, the interest went down, but some of the things being worked on were not yet complete so the interest would go up. Hopefully, it would not be that much of an increase due to some 0% interest borrowing on the money they would have to spend.

Near the bottom of page 116, it indicated that the Water & Sewer Fund realized a Net Income gain of \$366,417 compared to a net income loss of \$1,002,538 in the prior year. The City Manager's Synopsis reviewed all of the budgetary with the Water & Sewer Fund.

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Ms. Rouse was very pleased to report there was no department within the Water & Sewer Fund that exceeded the budgeted amount of funds.

### **Mega Park Waterline Capital Project Fund and EPA AOC Sewer Capital Project Fund**

On page 43 for the Construction Proposed Commitments, Ms. Rouse explained the City Manager's Synopsis went into detail about the projects. The remaining commitment was shown with a note as to where the money would come from to pay for the projects. She said the original budget for the Mega Park was higher but the anticipated revision had already been voted on by Council because less money was needed than originally thought.

### **Long-Term Debt**

The details of the Long-Term Debt were found on page 81. The combination of the Governmental Activities Installments \$3,916,283 and Business-Type Activities Installments \$14,094,507 was \$18,010,790. Those were for installment purchases in the General Fund and Water & Sewer Fund. The Compensated Absences (Accrued Vacation) and Other Post-Employment Benefits were noted as well. The legal debt margin of the City could be 8% of the assessed value, which could be found on page 138. The Total Property Valuation was \$892,176,523 and 8% of that number would be \$71,374,122. On page 138, the collection on the Tax Levy for the current year was 98.21%, which was lower than the previous year at 98.64%. She said the Manager's Synopsis pointed out some reasons for the decrease in tax collections and some taxes were collected since the date of the audit. The State average collection rate for 2017 was 99.01% excluding vehicles and the City's rate was 97.97%. The City was below the State average when vehicles were excluded in the population range. On the Schedule of Interest Income, she was pleased to note the interest increased a little compared to the prior year. The Interest Income amounted to \$162,564 for FY 2017-18 compared to \$64,959 for FY 2016-17.

Council Member Burnette asked with the new OPEB requirement now being in the audit report if the Local Government Commission would look at the audit reports any differently.

Ms. Rouse responded when they attended the classes earlier, the Local Government Commission projected how much difference OPEB would make on everyone's report. She said the Commission would call if they saw something that looked out of line for that municipality. She said it was early in the game because many audit reports had not gotten in yet, but they were very concerned about keeping North Carolina municipalities financially sound. It was a good thing municipalities were required to do the studies. Eden's Council had been proactive in doing the studies which was why they were ahead of the game in keeping liabilities down and making needed changes because their children and grandchildren should not have to face it in the future.

Mayor Hall asked why the OPEB was a line item in the Water & Sewer Fund but not in the General Fund.

Ms. Rouse said it was not a requirement to put that on the General Fund Balance Sheet in the full accrual method. The Full Accrual Method for the General Fund was on the lifttables in the front of the report. Page 15 included the OPEB liability for the Governmental Funds but the column that

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said Business-Type Activities was the same as what she had just reviewed. On the full accrual method, the unrestricted had a deficit in the first column of \$798,016. The reports were consistent across the State. The Water & Sewer Fund had to have enough to cover expenses and was supposed to be self-supporting. It was an enterprise fund and needed appropriate rates charged to make it that way. However, with the General Fund, receiving increased funds most of the time meant taxes had to be increased and/or grants received.

Council Member Burnette confirmed the larger portion was in the General Fund.

Ms. Rouse replied that was correct.

Mayor Hall said some of the money received from Duke Energy for leachate was variable depending on the weather. One year, the City budgeted much more than they collected but it was the opposite currently. Of course, it was good when the departments stayed on budget.

Ms. Rouse said she noticed the first few months the leachate billing seemed less, but it picked way up and finished with around \$500,000 for the year.

Mayor Hall said he thought the City was in good shape with the percentage of debt they had and it was based on the evaluation of real estate, which was undergoing a revaluation. He heard the City and County were going to be close to what they were before so they had plenty of room on their debt ratio.

Ms. Rouse replied they wanted to keep that under control. The only other thing she had was the Management Letter that stated they were pleased with the number of adjusting entries. For the General Fund, there were only seven with four of those proposed by City personnel. Under the Water & Sewer Fund, there were only four with two of those proposed by City personnel. The City was proactive with the Finance Department doing a great job keeping up with the latest mandates from GASB, evaluating things and getting the proper studies required for a completed audit and keeping up with classes at the School of Government. She wanted to point out the value of the actuarial studies to keep abreast of the potential liabilities there were for the City under the OPEB and the Law Enforcement Separation Allowance. The State Auditor's Office provided the information for the liability for the City related to the retiree pension for the City but the Council was responsible for the OPEB benefits because the Council made decisions related to OPEB. The Officers Special Separation Allowance was a mandate from the State. She was pleased to see the City set up two separate funds for the big projects because they would go on for several years and it would be easier to follow the expenditures of each project. She said she could only say positive things about the City's staff as they did a commendable job getting the report together and writing the report.

Mayor Hall said the City could not do it without the staff and city manager providing the Council with all of the information and they appreciated all of the hard work. He thanked the department heads and staff for staying under budget. He asked the Finance Department to stand for recognition.

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Mayor Hall said the City Manager's Synopsis of the Audit and the Auditor's Report were available to anyone who wanted a copy. He thanked the firm for their work.

UNFINISHED BUSINESS:

- a. Consideration of 2019 Boards and Commissions appointments.

Board of Adjustment

Council Member Moore nominated Joan Moore to serve for Ward 1. Council Member Hampton nominated Barney Walker to continue for Ward 3. Council Member Ellis nominated Diana Biggs to continue for Ward 7.

Community Appearance Commission

Council Member Moore nominated Millie Priddy to serve for Ward 1.

Historic Preservation Commission

Council Member Ellis nominated Otis Stultz to serve for Ward 7. The nomination for Mayor Hall's appointment was tabled.

Tree Board

Council Member Hampton nominated Sybil Carter to serve for Ward 3.

Strategic Planning Commission

Joy Toms and Sarah Heston were the nominations.

A motion was made by Council Member Ellis to approve the Board of Adjustment, Community Appearance, Historic Preservation, Tree Board and Strategic Planning appointments. Council Member Carter seconded the motion. All members voted in favor of the motion.

NEW BUSINESS:

- a. Consideration and approval of National League of Cities Service Line Agreement.

Mayor Hall called on Ms. Gilley.

Ms. Gilley said the program was endorsed by the National League of Cities and the North Carolina League of Municipalities. It had been utilized by 500 other cities around the country and nine other municipalities in the State. It would educate homeowners on the responsibility of water and sewer service lines. Many times a homeowner reported to the City that there was a water line break or leak and they did not realize it was the homeowner's responsibility to do the repairs from the meter to the property. The City would only repair leaks in the right-of-way. The program was

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a voluntary warranty insurance that offered an affordable payment every month to help with any damages that happened to the homeowner's property during the contract time. It would not cost the City anything to allow the program but there would be a joint marketing initiative where the company would use City letterhead and issue a letter to all City residents saying the insurance was available. It would happen up to three times a year. The City would collect 50 cents per product for each month so the City would share a bit in the program. The company would utilize local plumbers for repairs. Staff felt like it was a good, valid program.

Mayor Hall said he participated in a conference call with the company. It was basically an insurance policy that a citizen would have an option to buy or not. The plan provided insurance coverage for the water line from the meter to the property or the sewer line from the meter to the property and another product covered the internal plumbing. He said the current fees were listed but could change, however it was on a monthly basis and the citizen could end the coverage. The prices were \$5.75 monthly for water line, \$7.75 for sewer line and \$9.99 for internal plumbing with no deductible. The company would pay local plumbers typical market rates. The project would be no cost to the City. The company would just send their letter out on City letterhead and for every product sold the City would be paid 50 cent. He said it was not a lot of money but it could build up to help pay for a water or sewer project. The most important thing to point out was it being optional insurance. The City would only be allowing the company to use the City logo for their letter but not paying for anything. He said a citizen could get this insurance for about \$120 yearly.

Council Member Moore verified that if there were a problem with the insurance the City would not be involved.

Mayor Hall replied the City only gave the company permission to use the City letterhead but had nothing else to do with the program.

Ms. Gilley said the agreement with the National League of Cities Service Line program would be for three years. After three years, the City could opt out of the agreement and it would have no effect on the current policies with the homeowners.

Council Member Burnette asked if the company did their own vetting with the plumbers.

Mayor Hall said it would be up to the insurance company and the City had nothing to do with that process. He said many times citizens said they called the City for a water leak and were told it was their problem because it was on their side of the meter. The insurance would give homeowners protection for water lines if they wanted to do it.

Council Member Burnette said the sentence that said the water line insurance was optional should be bold type and underlined. He just wanted citizens to know the coverage was optional, not mandatory.

Council Member Grogan said with the letter on City of Eden letterhead the citizens might think it was from the City. She had had line protection for gas lines through HomeServe for seven or

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eight years since her husband, former Mayor John Grogan, learned about the protection probably at the National League of Cities.

Mayor Hall said to his knowledge it was the first time the water and sewer line protection had been offered in Eden. He said the insurance company said it did not matter the age of the plumbing or the pipes. He told the company many of the lines were getting old on both sides of the water meter. It was an option for homeowners to take if they wanted to.

Council Member Moore asked if the policy would cover irrigation systems.

Mayor Hall replied he would not be surprised if that was also covered. It was an outside water line, but one would need to read the contract. He said the insurance was presented at a National League of Cities meeting and had been around a long time with many cities using it.

Council Member Hampton asked if it was a good idea to use the City logo.

Mayor Hall replied that was the only way the company would partner with cities. He was not sure if the company would let an individual buy coverage individually on their website.

Ms. Gilley said she thought individuals could get the coverage by the website. It was prohibited under the agreement for another company to use the City's logo. The type of insurance was offered by other companies.

Council Member Epps said the rates were probably lower for homeowners who got coverage because of the large mailing instead of buying it individually.

Mayor Hall replied yes, for just one or two the coverage would probably be a different rate.

Council Member Carter said that for a major job, the licensed plumber should come get a permit and have the work inspected by the City.

A motion was made by Council Member Grogan to approve the National League of Cities Service Line Agreement. Council Member Hampton seconded the motion. All members voted in favor of the motion.

#### MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of \_\_\_\_\_, 20\_\_ ("Effective Date"), by and between the City of Eden, North Carolina ("City"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("Company"), herein collectively referred to singularly as "Party" and collectively as the "Parties". RECITALS: WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City ("Residential Property Owner"); and WHEREAS, City desires to offer Residential Property Owners the opportunity, but not the obligation, to purchase a service line warranty and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "Product" and collectively, the "Products"); and WHEREAS, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Residential Property Owners subject to the terms and conditions contained herein; and NOW, THEREFORE, in consideration of the foregoing recitals, and for other



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good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. Purpose. City hereby grants to Company the right to offer and market the Products to Residential Property Owners subject to the terms and conditions herein.

2. Grant of License. City hereby grants to Company a non-exclusive license ("License") to use City's name and logo on letterhead, bills and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. In the event that City extends a similar license to a direct competitor of Company during the Term and any Renewal Term of this Agreement, Company may immediately terminate this Agreement.

3. Term. The term of this Agreement ("Term") shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms ("Renewal Term") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Term or of a Renewal Term that the Party does not intend to renew this Agreement.

In the event that Company is in material breach of this Agreement, the City may terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach is not cured during said thirty (30) day period. Company will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

4. Consideration. A. As consideration for such license, Company will pay to City a License Fee as set forth in Exhibit A ("License Fee") during the term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term and any Renewal Term, due and payable on January 30th of the succeeding year. City will have the right, at its sole expense, to conduct an audit, upon reasonable notice and during normal business hours, of Company's books and records pertaining to any fees due under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5. Indemnification. Company hereby agrees to protect, indemnify, and hold the City, its elected officials, officers, employees and agents (collectively or individually, "Indemnitee") harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees and court costs (individually or collectively, "Claim"), which an Indemnitee may suffer or which may be sought against or are recovered or obtainable from an Indemnitee, as a result of or arising out of any breach of this Agreement by the Company, or any negligent or fraudulent act or omission of the Company or its officers, employees, contractors, subcontractors, or agents in the performance of services under the Products; provided that the applicable Indemnitee notifies Company of any such Claim within a time that does not prejudice the ability of Company to defend against such Claim. Any Indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

6. Notice. Any notice required to be given hereunder shall be deemed to have been given when notice is  
 (i) received by the Party to whom it is directed by personal service,  
 (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or  
 (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows: To: City: ATTN: Mayor Neville Hall City of Eden 334 Sunset Dr Eden, NC 27288 Phone: (336) 623-2110

To: Company: ATTN: Chief Sales Officer Utility Service Partners Private Label, Inc. 11 Grandview Circle, Suite 100 Canonsburg, PA 15317 Phone: (866) 974-4801

7. Modifications or Amendments/Entire Agreement. Any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party unless in writing signed by that Party.

8. Assignment. This Agreement and the License granted herein may not be assigned by Company other than to an affiliate or an acquirer of all or substantially all of its assets, without the prior written consent of the City, such consent not to be unreasonably withheld.

9. Counterparts/Electronic Delivery; No Third Party Beneficiary. This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be

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delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third- party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

10. Choice of Law/Attorney Fees. The governing law shall be the laws of the State of North Carolina. In the event that at any time during the Term or any Renewal Term either Party institutes any action or proceeding against the other relating to the provisions of this Agreement or any default hereunder, then the unsuccessful Party shall be responsible for the reasonable expenses of such action including reasonable attorney's fees, incurred therein by the successful Party.

11. Incorporation of Recitals and Exhibits. The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement. [Signature Page Follows].

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written above.

CITY OF EDEN

\_\_\_\_\_  
Name: Title:  
UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

\_\_\_\_\_  
Name: Michael Backus Title: Chief Sales Officer

Exhibit A  
NLC Service Line Warranty Program  
City of Eden  
Term Sheet November 26, 2018

- I. Initial Term. Three years
- II. License Fee. \$0.50 per Product for each month that a Product is in force for a Residential Property Owner (and for which payment is received by Company), aggregated and paid annually, for:
  - a. City logo on letterhead, advertising, billing, and marketing materials
  - b. Signature by City official
- III. Products.
  - a. External water service line warranty (initially, \$5.75 per month)
  - b. External sewer/septic line warranty (initially, \$7.75 per month)
  - c. Interior plumbing and drainage warranty (initially, \$9.99 per month)
 Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing.
- IV. Scope of Coverage.
  - a. External water service line warranty:
    - Homeowner responsibility: From the meter and/or curb box to the external wall of the home.
    - Covers well service lines if applicable.
  - b. External sewer/septic line warranty:
    - Homeowner responsibility: From the exit point of the home to the main.
    - Covers septic lines if applicable.
  - c. Interior plumbing and drainage warranty:
    - Water supply pipes and drainage pipes within the interior of the home.
- V. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage warranty Product via in-bound channels only.

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## REPORTS FROM STAFF

### a. City Manager's Report.

City Manager Brad Corcoran said each Council Member should have received a copy of the report. It was posted on the City's website the previous week and submitted to the Eden's Own Journal for publication. There were hard copies available for anyone wanting one. He would be happy to answer any questions.

### **City Manager's Report – January 2019**

#### **Audited Financial Statements for Period Ending June 30, 2018– Brief Summary**

The audit report for the financial period ending June 30, 2018 as prepared by our independent auditing firm of Rouse, Rouse, Penn and Rouse, L.L.P. has been approved by the Local Government Commission (LGC). Mr. Rex Rouse, CPA and Mrs. Judy Rouse, CPA will formally present their audit findings to the City Council during the regularly scheduled City Council meeting that will be held on January 15, 2019. A very brief summary of the audit report includes the following:

#### **General Fund**

The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

The fund balance in the General Fund increased from \$8,722,152 to \$9,408,745, an increase of \$686,593 or approximately 7.87% from June 30, 2017 to June 30, 2018. The fund balance on June 30, 2000 was equal to \$4,157,472. represents an increase of \$5,251,273 or 126.31% since that time.

After accounting for funds being reserved for specific purposes, otherwise restricted, the fund balance available for appropriations, or called the "unassigned" fund balance equals \$6,612,247. This is an increase of \$53,677 or approximately 0.82% when compared to the June 30, 2017 total of \$6,558,570. This is despite the fact that \$500,000 is listed under "Subsequent Year Expenditures" for June 30, 2018 compared to \$0 for June 30, 2017. This reflects the \$500,000 in "unassigned" fund balance allocated in the current budget for FY 2018-19. There was no "unassigned" fund balance allocated to the budget for FY 2017-18. In addition, \$4,106 is listed under "Streets-Powell Bill" for June 30, 2018 compared with \$93,207 for June 30, 2017. Furthermore, \$1,928,746 is listed under "Restricted – Stabilization by State Statute" for June 30, 2018 compared with \$1,726,840 for June 30, 2017.

As some of you may be aware, the City Council voted back in 1998-99 to keep an unassigned fund balance, equal to at least three months operating expenses. The total expenditures during FY 2017-18 for the General Fund amounted to \$16,596,728. One-twelfth of that amount is \$1,383,061. As such, three months operating expenses would equal \$4,149,183. The amount unassigned at June 30, 2018 of \$6,612,247 is actually \$2,463,064 over that threshold. This \$2,463,064 is the amount of money that would be available for use if desired by the City Council.

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In the current June 30, 2018 financial statements, it indicates that revenues for the General Fund were up from the prior year by \$292,103 or approximately 1.99%.

As stated previously, the total expenditures during FY 2017-18 for the General Fund equaled \$16,596,728. This compares favorably with the total budgeted expenditures for the year, which was \$17,774,600. This was a favorable variance of \$1,177,872 or approximately 6.63%. Overall, the expenditures for the General Fund were up from the prior year by \$1,460,491 or approximately 9.65% from \$15,136,237 in 2017 to \$16,596,728 in 2018. One of the main reasons for this increase can be found on page 103 of the audit document under "Street Resurfacing – Contracted Services". There was an increase of \$1,098,159, (\$0 to \$1,098,159) for the additional street resurfacing projects that were included in the FY 2017-18 budget. In addition, there is a combined increase of \$523,590 or approximately 389.01% under "Capital Outlay" for the Solid Waste Division from \$134,597 being spent during 2017 to \$658,187 being spent during 2018 for the replacement of two solid waste vehicles, replacement of the trash compactor at the recycling/transfer station and improvements to the recycling/transfer station. Without these capital outlay related expenditures, our total actual expenditures for the General Fund would have been less than the previous year.

I am very pleased to report that there was no department/division within the General Fund that exceeded the appropriated amount of funds.

### **Capital Project Funds**

Capital Project Funds are used to account for the proceeds and expenses of specific projects that are active/developed over the course of at least two fiscal years. The City had one (1) Capital Project Fund related to the General Fund during FY 2017-18: Fire Training Facility Capital Project Fund. Information concerning the Fire Training Facility Capital Project Fund, which had a June 30, 2018 fund balance of \$8,972, can be found in the financial statements. This fund was created during FY 2017-18.

### **Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for special purposes. The City had one (1) Special Revenue Fund during FY 2017-18: Municipal Service District Tax Fund.

The Municipal Service District Tax Fund includes the tax that was voted on by the Washington Street and Draper Merchants and is designated for various projects within those areas. It had a June 30, 2018 fund balance of \$26,334, which is an increase of \$2,319 or approximately 9.66% when compared to the June 30, 2017 fund balance of \$24,015.

### **Water and Sewer Fund – Enterprise Fund**

The Water and Sewer Fund is used to account for the City's water and sewer operation. The Water and Sewer Fund is an enterprise fund, which means the revenues being generated on an annual basis within the Water and Sewer Fund should be sufficient to pay for all of our annual expenses related to the Water and Sewer Fund.

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The Fund Balance in the Water and Sewer Fund for the period ending June 30, 2018 was \$5,875,129. This is a decrease of \$1,079,127 or approximately 15.52% when compared to the June 30, 2017 total of \$6,954,256. However, some of you may remember that the City Council voted to transfer \$500,000 to the Mega Park Waterline Project Fund and \$2,059,600 to the newly created EPA Administrative Order Consent (AOC) Sewer Project Fund during the course of FY 2016-17. During FY 2017-18, an additional \$1,000,000 was allocated to the EPA Administrative Order Consent (AOC) Sewer Project Fund. The financial statements indicate a June 30, 2018 fund balance of \$366,049 for the Mega Park Waterline Project Fund and a June 30, 2018 fund balance of \$857,953 for the EPA AOC Sewer Project Fund. Combined, the \$366,049 and \$857,953 on hand on June 30, 2018 equal \$1,224,002. If you take this \$1,224,002 and add it back to the \$5,875,129 that represents the fund balance in the Water and Sewer Fund for the period ending June 30, 2018 then the **total** water and sewer fund balance figure that includes the Water and Sewer Fund, the Mega Park Waterline Project Fund and the EPA AOC Sewer Project Fund would be \$7,099,131 or a decrease of \$1,524,395 or approximately 17.68% when compared to the June 30, 2017 combined Water and Sewer fund balance figure of \$8,623,526.

On June 30, 2011, the Fund Balance in the Water and Sewer Fund equaled \$11,333,437. Due to insufficient revenues to meet our ongoing capital improvement needs, including the EPA mandate placed on the City, we have used a total of \$4,234,306 in fund balance during just the past seven years (\$11,333,437 down to \$7,099,131) within the Water and Sewer Fund and the two Water and Sewer related project funds. This is a reduction of approximately 37.36% in the past seven years.

Despite our recent challenges due to the loss of several water/sewer intensive industries, the various regulatory mandates, and other capital improvement projects, the fund balance in the Water and Sewer Fund has increased from a total of \$4,345,594 on June 30, 2000, to \$7,099,131. This is an increase of \$2,754,537 or approximately 63.36%.

The Income Statement for the Water & Sewer Fund indicates our "Total Operating Revenue" amounted to \$10,241,441 for FY 2017-18 compared to \$9,690,519 for the prior year. This is an increase of \$550,922 or approximately 5.69%. This was due primarily to \$858,160 in revenues received from Duke Energy for the treatment of their leachate.

The combined, "Water Sales" and "Sewer Charges" increased by \$504,417 or approximately 5.27% from \$9,567,599 in FY 2016-17 to \$10,072,016 for FY 2017-18. However, without the \$858,160 in revenues received from Duke Energy for the treatment of their leachate there would have been a year-to-year combined reduction of \$353,743 or approximately 3.70% from \$9,567,599 in 2017 to just \$9,213,856 for 2018. During the past year, we had a combined reduction of \$360,046 in water/sewer revenues from three industries and an additional reduction of \$109,780 in water/sewer revenues from one business. The combined reductions from these four accounts equaled \$469,826.

Our "Total Capital Outlay" expenses increased by \$456,689 or approximately 56.23% from \$812,203 during FY 2016-17 to \$1,268,892 during FY 2017-18. Our Capital Outlay spending for various Water and Sewer related expenditures will be increasing significantly over the course of the next few years as a result of the work that must be completed to remain in compliance with

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the mandate from the US Environmental Protection Agency (EPA) in reference to the Administrative Order Consent (AOC) and our Sanitary Sewer Overflows (SSOs) as well as the proposed waterline extension to the Mega Park.

Our future planning will require us to be mindful about the reduced usage patterns and actions that may be needed to make sure the revenues being generated on an annual basis are sufficient to pay for all of our annual expenses. As an enterprise fund, it is imperative that our water and sewer rate structures be established to generate the level of revenues that are necessary on an annual basis to cover all of our operational, capital and debt related costs.

The “Debt Service” expenses within the Water & Sewer Fund increased by \$56,908 or approximately 2.94% from \$1,937,985 during FY 2016-17 to \$1,994,893 during FY 2017-18.

I am very pleased to report that there was no department/division within the Water & Fund that exceeded the appropriated amount of funds.

**Mega Park Waterline Project Fund**

Information concerning the Mega Park Waterline Project Fund can be found in the audited financial statements. On March 21, 2017, City Council approved the creation of the Mega Park Waterline Project Fund. It was noted that the funding for this project at that point in time would include:

• Drinking Water State Reserve Grant	\$ 1,886,700
• Loan @ 0%	\$ 3,000,000
• Loan @ 1.53% (maximum rate)	\$12,002,900
• City of Eden Funds	<u>\$ 1,600,000</u>
Total	\$18,489,600

As noted previously, the City Council voted to transfer \$500,000 to this newly created project fund and on June 30, 2018, it had an existing fund balance of \$366,049.

On November 20, 2018, the City Council approved an amendment to the amounts previously authorized. Due to a reduction in the size of the proposed waterline and additional grants that have now been awarded, the projected cost and funding sources for this project have changed as follows:

Revised Estimated Project Cost as of November 2018: \$7,072,900

Projected Funding Sources as of November 2018:

• Drinking Water Reserve Grant	\$1,018,225
• Economic Development Administration (EDA) Grant	\$2,000,000
• NC General Assembly Legislative Grant	\$1,000,000
• Loan @ 0% Interest	\$3,000,000
• Loan @ 1.53% (maximum rate)	<u>\$ 54,675</u>
Total	\$7,072,900

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

**EPA AOC Sewer Project Fund**

Information concerning the EPA AOC Sewer Project Fund can be found in the audited financial statements. On March 21, 2017, City Council approved the creation of the EPA AOC Sewer Project Fund. It was noted that as of January 31, 2017, a total of \$15,391,673 had already been spent on this unfunded mandate and the funding to date had included:

• 0% and low interest loans	\$10,961,507
• Principal forgiveness loans	\$ 4,034,000
• City of Eden Funds	<u>\$ 396,166</u>
Total	\$15,391,673

It was also noted that the remaining work had a projected cost of \$33,725,600 at that point in time, and thanks to the NC Connect Bond, funding for the remainder of this work would come from the following:

• NC Connect Bond grant	\$16,666,000
• NC Connect Bond loan @ 0%	\$15,000,000
• City of Eden Funds	<u>\$ 1,600,000</u>
Total	\$33,725,600

As noted previously, the City Council voted initially to transfer \$2,059,600 to this newly created project fund and an additional \$1,000,000 contribution was budgeted for and received from the Water and Sewer Fund during the past year. On June 30, 2018, this Capital Project Fund had an existing fund balance of \$857,953.

**Funding Sources for Capital Project Funds & Future Debt Service Payments**

- The Mega Park Waterline Capital Project Fund and the EPA AOC Sewer Capital Project Fund have a combined total cost of \$56,190,173. A total of \$15,391,673 had been spent on the EPA AOC Sewer Projects prior to March 2017 leaving a combined remaining total cost of 40,798,500.
- We are very pleased that \$20,684,225 (\$16,666,000 EPA AOC and \$4,018,225 Mega Park Waterline) or approximately 50.70% of this total cost is expected to be received in the form of grants. An additional \$18,000,000 or approximately 44.12% is expected to be received in the form of 0% interest forgiveness loans and \$54,675 or approximately 0.13% is expected to be received in the form of a loan with a maximum interest rate of 1.53%. This leaves a balance of \$2,059,600 or approximately 5.05% to be funded from the Water and Sewer Fund.
- The City of Eden is currently making a combined principal/interest payment of \$1,251,000 on \$14,375,755 in loans that were taken out during 2007 and 2008 with an average interest rate of 3.73%. These loans will be paid in full at the conclusion of FY 2021-22.
- One of the funding strategies we identified several years ago and still intend to pursue, is to roll-over this existing \$1,251,000 in debt service payments that is already built into our existing rate structure and will become available for re-appropriation in FY 2022-23.

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- This will be sufficient to cover the future debt service payments related to the loans associated with the EPA AOC Sewer Capital Project and the Mega Park Waterline Capital Project.
- The \$15,000,000 loan for the EPA AOC Sewer Capital Project will be paid back over a period of 20 years with an interest rate of 0% and an annual debt service payment of \$750,000. The \$3,000,000 loan for the Mega Park Waterline Capital Project will be paid back over a period of 20 years with an interest rate of 0% and an annual debt service payment of \$150,000. The \$54,675 loan for the Mega Park Waterline Capital Project will be paid back over a period of 20 years with a maximum interest rate of 1.53% and an annual maximum debt service payment of \$3,194. Combined, the future annual debt service payments associated with these three loans will equal \$903,194.

### **Self-Insurance Fund – Internal Service Fund**

On July 1, 1995, the City began its self-insured insurance coverage program. The City carries a reinsurance policy for payment on all specific claims in excess of \$55,000 once the one-time aggregating specific corridor of \$155,000 has been met. Once the one-time aggregating specific corridor has been met, the reinsurance carrier reimburses any excess above \$55,000 claimed on any individual to the City unless the reinsurance carrier has assigned a pre-determined laser on a specific individual due to an existing condition. In the comparative balance sheet of the Self-Insurance Fund, it indicates the retained earnings (“Fund Equities”) showed an increase of \$26,841 or approximately 15.61% from \$171,973 in 2017 to \$198,814 in 2018. Insurance Claims increased during FY 2017-18 from \$2,549,078 in FY 2016-17 to \$2,553,221 in FY 2017-18 for an increase of just \$4,143 or approximately 0.16% while Group Insurance Fixed Costs decreased by \$10,568 or approximately 2.17% from \$487,884 in FY 2016-17 to \$477,316 in FY 2017-18.

The audit document indicates that \$0 (\$0 General Fund and \$0 Water & Sewer Fund) was used in FY 2017-18 in order to balance the Self Insurance Fund. This is a significant improvement when compared to the \$450,000 (\$250,000 GF and \$200,000 WSF) that was utilized during FY 2016-17.

### **Law Enforcement Officers Special Separation Allowance – Actuarial Study**

The Law Enforcement Officers Special Separation Allowance is a public employee retiree system pension plan that provides retirement benefits to the City’s qualified sworn law enforcement officers. The separation allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service.

As of December 31, 2017, the actuarial accrued liability for benefits was \$2,258,738. This represents an increase of \$356,195 or approximately 18.72% when compared to the previous year total of \$1,902,543. The audited financial statements indicate that for the year ended June 30, 2018, the City recognized pension expense of \$192,604 for our retired police officers.



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It is important to note that most municipalities fund their separation allowance on a pay as you go basis and this is what we have been doing. The City continues to be committed to funding this ongoing obligation on an annual pay as you go basis.

### **Fiduciary Funds**

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City maintains one fiduciary fund: The Agency Fund - Runabout Travel Club Fund.

The Agency Fund – Run-About Travel Club Fund is custodial in nature and does not involve the measurement of operating results. The Run-About Travel Club Fund accounts for money deposited with the City of Eden Parks and Recreation Department for those individuals participating in the programs of its department sponsored club. The fund balance on June 30, 2018 equaled \$19,533, which is an increase of \$2,262 or approximately 13.10% from the amount on hand as of June 30, 2017, which was \$17,271. Again, this is merely a fund for its members who contribute monies for scheduled activities and trips.

### **Long-Term Debt**

On June 30, 2018, the combined total outstanding principal and interest debt for the City was equal to \$19,292,177. This is an increase of \$30,869 or approximately 0.16% compared to the total of \$19,261,308 on June 30, 2017.

The information concerning specific installment purchases, capital lease purchases and other projects is also included in the audited financial statements and indicates that four of the obligations with a total annual principal payment of \$53,634 will be paid off prior to June 30, 2019, eleven additional obligations with a total annual principal payment of \$230,128 will be paid off prior to June 30, 2020, and one additional obligation with a total annual principal payment of \$26,924 will be paid off prior to June 30, 2021.

The legal debt margin for the City as of June 30, 2018 equaled \$71,374,122 up from \$70,903,339 on June 30, 2017. As you may be aware, the N. C. General Statutes limits the amount of general obligation debt that a unit of government can issue to eight (8) percent of the total assessed value of taxable property located within the government's boundaries.

### **Analysis of Current Tax Levy**

The total property tax valuation for FY 2017-18 was \$892,176,523. This is higher than the total property tax valuation for FY 2016-17, which was \$886,291,739.

The current year tax collection rate dropped slightly to 98.21% compared to the 2017 rate of 98.64%. The property excluding registered motor vehicles collection rate equaled 97.97% and is down slightly from last year's rate that was 98.49%. The reductions were because SGRTEX failed to pay their taxes due prior to June 30, 2018. Finally, the registered motor vehicles collection rate equaled a perfect 100% for the third consecutive year.

### **Interest Income**

The \$162,564 in interest income earned on investments during FY 2017-18 has increased from last year's total of \$64,959 by \$97,605 or approximately 150.26%.

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### **Detailed Synopsis**

As I traditionally do, I have prepared a more detailed synopsis of the audited financial statements for the period ending June 30, 2018 for use by the Mayor and City Council in an effort to assist them with their annual review. If anyone would like a copy of this synopsis please email, me at [bcorcoran@edennc.us](mailto:bcorcoran@edennc.us) and I will be glad to share a copy with you.

### **Economic & Tourism Development Department**

#### **MillerCoors Property**

Greensboro, NC based D. H. Griffin purchased the former MillerCoors site on December 31, 2018 for approximately \$2.7 million. City officials will meet with the new owners soon to determine their plans for the site. D.H Griffin has a business development arm of its company. Several commercial brokers have speculated that the 1,600-acre property would be an ideal “mega site” due to its abundant utilities and other resources, such as rail.

The price paid for the facility has raised questions within the economic development community. Pabst offered MillerCoors \$100 million for the Eden site in 2015 but was told it was worth \$750 million. This was curious since MillerCoors purchased the Eden site from Miller Brewing Company for approximately \$53 million in 2008 when the joint venture between the two companies began. Some have speculated that MillerCoors did not want to assist Pabst by providing it with the Eden brewing capacity. Like other traditional light lager beer producers, MillerCoors is under intense competitive pressure from the craft beer segment as well as steadily increasing wine sales. One wonders why the company would settle for 2.7% of the original offer for the facility unless this was done by design.

#### **Gildan Activewear**

Mr. Nick Freitag, Gildan Vice-President of Wholesale Distribution—Printwear will retire from his position effective February 1, 2019. Since coming to Eden in 2008, Freitag has overseen several company expansions, contributed annual T-shirts to the Get Fit Eden and Rockingham programs, sponsored Eden events, has encouraged his management employees to serve on local Boards and Commissions, and was the 2016 recipient of the Eden Chamber of Commerce Distinguished Citizen Award. Nick and his wife Cindy will be honored by the Eden City Council at its January 15, 2019 meeting. The Freitags will retire to Pilot Mountain, NC.

#### **SGRTex**

The Receiver appointed to oversee the sale of this facility continues to show it to potential purchasers. Recently, he advertised the site in *Textile News*, an industry publication, to generate continued interest in the building and its machinery.

#### **Southern Virginia Mega Site at Berry Hill**

On December 19, NC Senator Phil Berger, VA General Assemblyman Danny Marshall, Rockingham County Board of Commissioners Chair Reece Pyrtle, Eden Mayor Neville Hall, Eden Director of Economic Development Mike Dougherty, Rockingham County Economic Development Assistant Director Ken Allen and Ted Lord of the Golden Leaf Foundation met with their counterparts from Danville and Pittsylvania County to discuss the developments at the

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Mega Park and workforce development efforts. The meeting was held at the Danville Institute for Advanced Learning and Research.

Danville Community College (DCC) and the Institute have helped create an excellent workforce development program, assisted by sponsorships from Gene Hass and other companies who supply equipment. The Danville Economic Development Director dedicated \$1.6 million of his budget to the local school system to encourage students to become part of the precision machining and other programs at the college and Institute. Four companies from the United Kingdom have moved to Danville because of its workforce development program. A \$25 million project will be coming soon to the Institute campus. Since RCC is beginning the process to program the new workforce development center, it seems beneficial to consult with our northern neighbors about programs that would complement what they are providing. They want to create an unsurpassed workforce development program that will help this region be very attractive to industry. Workforce Development is the main concern for most companies so if we have an excellent program in place, it will help us attract industry here.

The first action item resulting from this meeting is for RCC President and staff to meet to determine what training can be included in the RCC Workforce Development Center to complement what is offered in Danville and Martinsville. The goal is to create a regional workforce development initiative to help lure companies to this area. In addition, the Mega Site was featured in the March 2018 issue of Site Selector's Magazine.

### **Eden's Own Journal**

Publisher Lisa Griffith, her husband David and her daughter Liza Doss were among the family members honored at the December 2018 Eden City Council meeting for their 20<sup>th</sup> Anniversary. A special plaque was presented by Mayor Neville Hall at the beginning of the meeting. Griffith started the newspaper in 1998 and has expanded its reach over the years so it now is a countywide publication. Griffith expressed gratitude for the advertisers who have supported her over the years and made this publication possible.

### **63<sup>rd</sup> Annual Chamber of Commerce Awards Dinner**

This event will take place on Tuesday, January 29 at the Wright Memorial Event Center, 184 Slaydon Road in Eden with the reception at 6:00 p.m. and dinner at 6:30 p.m. The keynote speaker will be Morehead High School's dynamic new Principal, Ryan Moody. In addition, this event is where the Distinguished Citizen of 2018 and the recipient of the John E. Grogan Lifetime Achievement Award will be announced among other award winners. This is also a great time to hear about the Chamber of Commerce's plans for 2019. Tickets are \$35 per person. Please RSVP by Friday January 25, 2019 at 336-623-3336 or email President Angela Fowler at [president@edenchamber.com](mailto:president@edenchamber.com). You can also stop by the Chamber office at 678 S. Van Buren Road.

### **622 Washington Street**

The sale of the 622 Washington Street to high bidder Trey Wyatt is complete. He plans to open a locally owned craft beer and wine restaurant featuring a delicious American tapas menu in a fun and entertaining environment. He hopes to be open in time for Riverfest which is scheduled for September 20-21, 2019.

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### **Fieldcrest Road Public Space**

Corrugated sliding metal doors, a window package and benches for the Fieldcrest Public Space have been ordered. The benches have a ship date of January 31 and the doors should be completed by the end of February. Windows will need final measurements to proceed. The lighting installation has been hampered by record rainfall but will be completed in the near future.

### **Bridge Street Municipal Parking Lot**

A larger new parking lot sign has been ordered for this site. The Home Trust Endowment grant that has been awarded for this beautification project is still being held at the Stadium Drive branch waiting for the official corporate release date. Additional research is being conducted from other Main Street communities on parking guidelines that encourage a pedestrian friendly downtown.

### **Entrepreneurship Program/SCORE**

Plans are being made for an Entrepreneurship program that would feed into a future local SCORE chapter involving the city, Eden Chamber, and county partners. This program would assist with our objectives found for economic development in the *Positively Eden* Strategic Plan.

### **The Boulevard Merchants Association**

The Boulevard Merchants Association held their annual Christmas Party at 241 events. They are currently planning their second annual Food Truck Rodeo for April 13, 2019. Proceeds from their fundraisers are used for their beautification efforts.

### **Leaksville Merchants Association**

The Leaksville Merchants Association have agreed to donate their excess snowflake street pole decorations to the Boulevard Merchants Association. With some additional fundraising, we could see the Boulevard fully decorated during November – December, 2019.

### **Eden Downtown Development Inc. (EDDI)**

The Eden Downtown Development Corporation cancelled their December meeting due to snow. The agenda items will carry over for discussion during their January 14 meeting. Work to pursue the restoration of the Balmar Theater will be tabled, as the current owner has no interest in such a project. The EDDI was recently notified of its 2019 state accreditation from NC Main Street Center staff.

### **Public Art Project**

A public art project supporting painting fire hydrants has been announced. Hydrants in our downtown areas have been identified as priorities and several local artists have volunteered to take on the project initially. This is open to the public. Please contact Randy Hunt, Main Street Manager at [rhunt@edennc.us](mailto:rhunt@edennc.us) for more information.

### **Wire Animal Public Art Project**

Our artist Josh Cote has completed all six of the animal art pieces. He will be joining us in Eden from Bakersville, North Carolina on Saturday, January 19 to help position the art pieces in Grogan Park. Installation will take place the following week. We will then announce a dedication date that we hope all of you will attend. This has been a very exciting project and we think you

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are going to be very proud of what has been created for our community to enjoy for many years to come. Stay tuned!

**2019 Event Dates**

Mark your calendars now because you do not want to miss any of our signature events here in Eden this year!

- May 11 – Oink & Ale
- June 1 – Piedmont Pottery Festival
- July 20 – Shaggin’ on Fieldcrest
- August 15 – Grown & Gathered
- August 24 – Touch –A-Truck
- September 20 & 21 – RiverFest

We will also host smaller events such as Movies under the Stars, Hispanic Heritage Day, the Veterans Day Celebration, WinterFest and more.

**Piedmont Pottery Festival**

Calling all potters! Our Piedmont Pottery Festival date is set for Saturday, June 1. We would love to have a big group of our talented Rockingham County potters participate this year. Applications will be available online on February 1 at [www.ExploreEdenNC.com](http://www.ExploreEdenNC.com).

**Oink & Ale Barbecue Cookers**

Oink & Ale will take place Saturday, May 11. We will be featuring the band ON THE BORDER – THE ULTIMATE EAGLES TRIBUTE and are expecting a large crowd. We would love to feature some of our local barbecue cooks that day as well. Please call Cindy Adams at 336-612-8049 or email her at [cadams@edennc.us](mailto:cadams@edennc.us) if you are interested in being a part of this fun event.

**Explore Downtown Newsletter**

You can get information about upcoming local events by email through our monthly Explore Downtown newsletter. If you want to subscribe, please send your email address to [godowntown@edennc.us](mailto:godowntown@edennc.us).

**“A Few Minutes with the Mayor”**

Tune in to WGSR Star News the last Thursday of every month at 6:15 p.m. and spend 15 minutes with Mayor Neville Hall.

**Explore Eden Facebook Page**

Please join our Explore Eden Facebook page as another way to stay up to date on what to do in Eden! We have over 7,300 followers!

**Engineering Department**

**Street Resurfacing Projects:**

The bid opening for the FY 2018-19 Street Resurfacing Contract, No. 2 was held on Thursday, December 13, 2018 at Eden City Hall. The following bids were received: Waugh Asphalt, Inc.

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\$398,792.94; Turner Asphalt \$480,107.80; Adams Construction \$491,314.80 and Triangle Grading & Paving \$592,317.00. Waugh Asphalt was the low bidder. A request to award will be presented at the upcoming city council meeting.

**Restriping of Country Club Drive**

Triad Road Maintenance has been delayed on several projects due to the recent bad weather. This work is still scheduled to be completed as soon as the contractor can work it in.

**Waterline Replacement Projects Update**

Workers from City's Plumbing and Pools, Inc. were able to spot existing utilities and make a wet tap for the new water main for Ridge Avenue on December 27. Due to holidays and wet weather, work continued with one good day a week until the last of the new 2-inch diameter PVC water main was installed on January 7. The new pipe passed the hydrostatic testing the next day, with additional testing scheduled before new water taps can be made for some of the residents west of N. Hale Street.

Joyce Backhoe Services, Inc., low bidder for the Morehead Street waterline replacement project, still plans to start the installation of the 6-inch diameter ductile iron water main between Glovenia Street and Hollingsworth Street around the later part of January, or early February 2019.

City's Plumbing and Pools, Inc., the lowest bidder for the Jackson Street and W. Moore Street waterline replacement project, has submitted bonds and other required documents that are being reviewed. The installation of up to 905 feet of 6-inch diameter ductile iron water main along Jackson Street north of W. Moore Street could also begin at the end of January 2019.

**Fire Department**

During 2018, the Eden Fire Department conducted 27 fire and life safety programs throughout the city. A total of 57.5 hours of material was presented on various safety topics. Listed below is the age break down with the number of participants:

- 0-4 years 213
- 5-10 years 799
- 11-13 years 120
- 14-18 years 178
- 19-61 years 643
- 62+ years 36

• **Total Number** **1989**

The fire department distributed 20 smoke detectors and installed 19 batteries. We offer a free smoke detector for citizens who own their home. If you or anyone you know, is in need of a smoke detector please call Eden Fire Station 4 @ 336 623-9820 for more details.

**Information Technology**

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Tax season is upon us. Which means IRS scam season is also here. Between January and April, we always see an increase in the amount of phishing e-mails that either claim to be from the IRS, your bank, or employer. The Center for Internet Security (<https://cisecurity.org>) recommends these three tips to help you avoid scams this tax season:

- **File your taxes as early as you can**
  - By filing your taxes early, scammers aiming to use your personal information to file a fraudulent return in your name will be unable to do so. They can't file if you beat them to it!
- **Never click a link in an email notifying you of available tax documents**
  - Always go to your browser and type in your company's online W-2 or tax document retrieval service URL to avoid many common phishing scams. This will ensure you go to the right website and get your documents safely.
- **Avoid IRS impersonation scams**
  - The IRS will never contact you over the phone or email to ask for payment of an overdue tax bill. Criminals frequently make such calls and can request payment by normal means or by prepaid gift cards, and any contact like this should be ignored.

To report tax fraud:

The IRS encourages taxpayers to send suspicious emails related to tax fraud to [phishing@irs.gov](mailto:phishing@irs.gov). Other forms of tax fraud can be reported by following the instructions on this site: <https://www.irs.gov/businesses/small-businesses-self-employed/tax-scams-how-to-report-them>

### **Municipal Services Department**

#### **Code Red Notification System**

The City of Eden has a Code Red Notification System to help make residents aware of changes to garbage collection due to weather or holiday closings, missing persons and any road closures. The system is also used for other public service and emergency related announcements. If you are not receiving the notifications and are interested in being included, please contact Georgette Spence at 336-623-2110 option 3 and have your name and number(s) added to the Code Red notification list. If you are an Eden resident, there is no cost to receive these notifications.

#### **Reminder Concerning Snow Events**

During snow events, our Municipal Services Department requests that all residents avoid parking their car(s) on the roadway. Please park any and all cars OFF the roadway, if possible. This would allow better access for the snowplows to clear the roadway in a timelier and efficient manner, thereby allowing all residents access to clear roads much faster. Thank you so much for your assistance.

#### **Reminder: Collection of Leaves is Now Underway**

The City of Eden is in the process of collecting leaves for leaf season. Residents should place their leaves behind the curb or edge of the road, and leaves must be separated from brush. During heavy rain events, leaves may not be picked up on schedule due to water damaging the leaf machine. However, leaves will be picked up when they dry out. The City will be collecting leaves on a regular basis until February.

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**Parks, Recreation & Facility Maintenance Department**

**Community Accents Program & Parks & Recreation Radio Program**

Staff will be participating in the Community Accents Program with WLOE (Wonderful Land of Eden) radio on January 11. In addition, staff participated in the Parks & Recreation Radio Program with WLOE on December 27 and will be participating in the same program again on January 23 to update the public on our recreational program offerings during the months of January, February and March. We remain involved in these community outreach efforts in an effort to update residents about the programs being offered by our Parks & Recreation Department.

**Be Healthy Rockingham County**

Staff continues to be involved with Be Healthy Rockingham County initiative. They will attend the Be Healthy Rockingham County meetings scheduled for January 9 and February 13.

**Santa Calling Program & Santa Visits**

Parks & Recreation staff conducted the Santa Calling Program and Visits by Santa during the month of December 2018.

**Dixie Youth Ozone State Baseball Championship**

The City of Eden has been selected as the host City for the 2019 Dixie Youth Ozone State Baseball Championship that will take place from July 12-18, 2019 at Freedom Park.

**Freedom Park Splash Pad Update**

Cirrus Construction is in the process of preparing construction documents and currently plans on initiating construction at some point this month, weather permitting. VORTEX is continuing their work on the construction documents for the splash pad component and they too are currently planning to begin construction at some point this month, weather permitting.

**Matrimony Creek Greenway Parking Lot – Update**

The City Council authorized the paving of the Matrimony Creek Greenway Nature Trail Parking Lot at their meeting on September 18, using funds from the *Positively Eden* Strategic Plan Funds for FY 2018-19. Prices were received for this project and a P.O. was issued, but this project was put on hold until the spring of 2019 due to the repairs and restoration work needed due to the damage from Tropical Storm Michael.

**Freedom Park Walking Track and Road Repairs**

Road repairs and crack sealing was done to the parking lots and walking track at Freedom Park during the week of November 26-30. The walking track and stripping will be completed in the spring of 2019.

**Chiller & Cooling Tower for Eden Municipal Building**

The installation of the new Chiller and Cooling Tower that was previously approved by the Eden City Council is scheduled to begin in late February or early March and will be completed by mid-April.



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**Planning & Inspections Department**

**Stadium Drive Sidewalk**

We have finally been given the go ahead to start the survey work and procurement of a surveyor and designer for this project. A meeting representatives from the North Carolina Department of Transportation, is the next step. Once that meeting is held, we will put out a Request for Proposals for an Engineering firm to design the project according to NCDOT standards. A survey will need to be done and any necessary easements procured.

**Demolitions**

At the November 2018 regular City Council meeting, the City Council approved the demolition of seven properties. The following are before and after pictures of the first three of those buildings that have been demolished:



**Code Enforcement**

31 local code inspections were made since the last report. The breakdown of types are as follows: 1 for a building violation, 2 for high grass, 12 for junk cars, 12 for junk storage, and 4 for miscellaneous inspections. Miscellaneous inspections would include, but are not limited to, sight

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obstructions, sewer discharge on to the ground, and rats. In addition, 6 notices have been mailed by certified mail and first class mail. The number of properties affected are as follows: 1 for a building violation, 4 for junk, and 1 for a junk car.

In an effort to identify property owners, our Staff regularly consults with the Clerk of Superior Court of Rockingham County, North Carolina, regarding deceased property owners and with the Medicaid Estates Recovery Department in the North Carolina Department of Health and Human Services to determine if they plan to seek action to collect funds.

### **Collections**

Statements were mailed out the last week of November to all property owners with an outstanding balance. The City received payments in the amount of \$215.00. December is usually a slower month for collections.

During 2018, the City of Eden and Rockingham County have worked together toward our collection efforts for local code abatement fees owed to the city. The decision was made that each June, the fees from the most recent year that remain due for local code enforcement will be sent to Rockingham County to be placed on the tax bills that will come out in August. Since the tax bills were mailed in August of 2018, the City has received \$4,083.54 from Rockingham County on code enforcement fees that were billed with the property taxes.

If delinquent taxes are due on a property as well as local code enforcement fees, the County has agreed that the city can use the tax foreclosure process for collections. We will have to pay taxes with proceeds that we receive, but using this style of foreclosure will allow the resulting property to be sold free of all liens except federal tax liens. This will make it much easier to sell the properties and get them back on the active tax rolls.

### **Planning Board**

On January 3, the board met to discuss a text amendment that would allow recycling centers in I-2. This type use was moved to I-3 when our industrial districts were overhauled. While the request was a text amendment, the focus is still on the property on Friendly Road that used to be a junkyard. The Planning Board recommended denial of the request as did staff.

For the next regular meeting of the Board, we have received a zoning map amendment request from the owners of the former Fieldcrest filter plant on Meadow Road. They are working toward a micro-brewery on the site. We are also taking a staff generated zoning ordinance amendment to the Board about disabled vehicles.

### **Planning Organization Boards and Commissions**

Boards and Commissions during January and February will be discussing their goals and objectives for the next budget year.

### **Strategic Plan Project Proposal – Residential Improvement Grant**

Staff is currently developing a proposal for a Residential Improvement Grant and we intend to ask the *Positively Eden* Strategic Plan Commission to fund the first year of the project if we receive approval from the City Council. We will select seven neighborhoods and allow both owners and

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landlords of single family residential structures to apply for a maximum of \$10,000 for the following improvement categories.

1. Life Safety issues
2. Energy Conservation
3. Appearance and General Upgrades

We plan to model the program after both our Downtown Improvement Grant (DIG) program and the old Single Family Rehab grant programs from the State. We will include the same protections (Deed of Trust) to prevent us giving grants and then owners taking the windfall and selling. In addition, there will provisions to prevent landlords from upping rents based on city-sponsored improvements.

### **Police Department**

Due to the re-assignment of Officer Elizabeth Tilley to the Downtown Business District Officer, an interview panel was formed for the vacant School Resource Officer position at Holmes Middle School. Congratulations to Officer Jay Parker for being selected for this re-assignment.

On January 22 – 23, the police department administration and supervisors will receive training on Data-Driven Approaches to Crime and Traffic Safety (DDACTS). This training integrates location based crime and traffic data to establish effective and efficient methods for deploying law enforcement and other resources. Using GIS mapping to identify areas that have high incidences of crime and crashes, DDACTS uses traffic enforcement strategies that play a dual role in fighting crime and reducing crashes and traffic violations.

We have a student from ECU majoring in Criminal Justice working on his internship. Brock Fox, an Eden resident, is doing an internship and shadowing officers and other staff to complete more than 500 hours of required time to complete his internship. Brock will observe many of the day-to-day operations as well as the behind the scenes operations.


The Eden Police Department would like to continue to encourage the citizens of our community to utilize the Eden Police Department's Facebook page for updates and information concerning our community, as well as Crimestoppers, to provide anonymous information concerning illegal activity to keep our community safe.

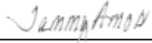
### **CONSENT AGENDA:**

- a. Approval and adoption of the December 18, 2018 minutes.
- b. Consideration and approval to award FY 2018-19 Street Resurfacing Contract No. 2.

Director of Transportation Engineering Tammy Amos submitted a copy of the Bid Tabulation Schedule for the FY 2018-19 Street Resurfacing Contract, No. 2. Bids were received on December 13, 2018 at 11:00 a.m. A total of 4 responsive bids were received for the project. The low bidder was Waugh Asphalt, Inc. in the amount of \$398,792.94. The date of availability for the contract is April 1, 2019. The Engineering Department requested Council's approval to award the contract to Waugh Asphalt, Inc. based on their bid amount shown.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

 <b>FY 2018-19 STREET RESURFACING CONTRACT, NO. 2 (SRC 2018-19-02)</b> CITY OF EDEN, NORTH CAROLINA BID TABULATION SCHEDULE DECEMBER 13, 2018 11:00 A.M.											
Bid Item No.	Description	Unit	Est. Qty.	Waugh Asphalt, Inc. NC License # 59882		Turner Asphalt, Inc. License #55042		Adams Construction NC License # 20677		Triangle Grading & Paving NC License # 17456	
				Unit Price	Extended Total	Unit Price	Extended Total	Unit Price	Extended Total	Unit Price	Extended Total
1	Adjustment of Manholes	EA	42	\$ 325.00	\$ 13,650.00	\$ 325.00	\$ 13,650.00	\$ 350.00	\$ 14,700.00	\$ 430.00	\$ 18,060.00
2	Adjustment of Valve Boxes	EA	27	\$ 325.00	\$ 8,775.00	\$ 325.00	\$ 8,775.00	\$ 350.00	\$ 9,450.00	\$ 430.00	\$ 11,610.00
3	Edge Milling Asphalt Pavement, 0 to 1 1/4" depth	SY	1,929	\$ 3.99	\$ 7,503.81	\$ 6.50	\$ 12,538.50	\$ 4.40	\$ 8,487.60	\$ 9.50	\$ 18,325.50
4	Edge Milling Asphalt Pavement, 0 to 2 1/2" depth	SY	2,834	\$ 3.56	\$ 10,089.04	\$ 4.50	\$ 12,753.00	\$ 6.10	\$ 17,287.40	\$ 10.00	\$ 28,340.00
5	Milling Asphalt Pavement, 1 1/2" depth	SY	4,321	\$ 4.30	\$ 18,580.30	\$ 4.50	\$ 19,444.50	\$ 4.00	\$ 17,284.00	\$ 7.50	\$ 32,407.50
6	Milling Asphalt Pavement, 2 1/2" depth	SY	3,298	\$ 3.37	\$ 11,107.52	\$ 3.80	\$ 12,524.80	\$ 3.80	\$ 12,524.80	\$ 8.50	\$ 28,016.00
7	Asphalt Concrete Leveling Course, Type S 9.5B Virgin Mix	TON	263	\$ 122.20	\$ 32,138.60	\$ 108.00	\$ 28,404.00	\$ 140.00	\$ 36,820.00	\$ 210.00	\$ 55,230.00
8	Asphalt Concrete Surface Course, Type S 9.5B Virgin Mix, 1 1/2" depth	TON	2,582	\$ 107.71	\$ 278,107.22	\$ 138.00	\$ 356,316.00	\$ 135.50	\$ 349,861.00	\$ 150.00	\$ 387,300.00
9	Shoulder Reconstruction - Incidental Stone (ASB)	TON	228	\$ 81.33	\$ 18,543.24	\$ 68.00	\$ 15,504.00	\$ 108.00	\$ 24,168.00	\$ 56.00	\$ 12,788.00
10	Asphalt Concrete Surface Course, Type RS 9.5B (Alternate 1)	TON	1	\$ 100.21	\$ 100.21	\$ 130.00	\$ 130.00	\$ 137.00	\$ 137.00	\$ 140.00	\$ 140.00
11	Shoulder Reconstruction, Soil, Seed & Mulch (Alternate 2)	TON	1	\$ 198.00	\$ 198.00	\$ 68.00	\$ 68.00	\$ 595.00	\$ 595.00	\$ 120.00	\$ 120.00
<b>Total Bid Price (Items 1-11)</b>					<b>\$ 398,792.94</b>		<b>\$ 480,107.80</b>		<b>\$ 491,314.80</b>		<b>\$ 592,317.00</b>

The Lump Sum and Unit Prices in This Tabulation received on December 13, 2018  
 Are As Given In The Bidder's Respective Bid Proposals  
 And The Totals Are Arithmetically Correct  
  
**Tammy Amos**  
 Director of Transportation Engineering, City of Eden

- c. Consideration and approval of financing for a mobile communications system for Public Works.

In the 2018-2019 Budget, City Council approved the purchase of a mobile communications system for Public Works and it was set up in the budget to be financed. On December 20, 2018, Ms. Amy Winn, Assistant Director of Finance, requested bids from local banks for the financing and received the following quotes: BB&T 3.21% and United Financial (Home Trust) 3.19%. The total cost of the equipment is \$127,800 with annual payments of approximately \$28,057.28, which is within the budgeted amounts. Ms. Winn respectfully asked that Council approve United Financial (Home Trust) as the successful bid for financing.

- d. Consideration and approval of financing for a service truck for C&D.

In the 2018-2019 Budget, City Council approved the purchase of a service truck for the Collection & Distribution Department and it was set up in the budget to be financed. On December 20, 2018, Ms. Winn requested bids from local banks for the financing and received the following quotes: BB&T 3.21% and United Financial (Home Trust) 3.19%. The total cost of the equipment is \$78,378 with annual payments of approximately \$17,207.15, which is within the budgeted amounts. Ms. Winn respectfully asked that Council approve United Financial (Home Trust) as the successful bid for financing.

- e. Approval to call a public hearing to consider an installment purchase contract in the amount of \$945,700 for the General Fund Splash Pad, Resurface Tennis Courts, Matrimony Creek Phase II, Klyce Street & Draper Landing, Stadium Drive Sidewalk Match, and Street Resurfacing Projects.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

A motion was made by Council Member Moore to approve the Consent Agenda. Council Member Ellis seconded the motion. All members voted in favor of the motion.

ANNOUNCEMENTS:

Mayor Hall called on Mr. Dougherty.

Mr. Dougherty said 770 Ventures LLC purchased the former MillerCoors facility on December 31, 2018. One of the 770 Ventures partners was D.H. Griffin, best known as a demolition company. It led to rumors that the facility would be demolished. The previous Friday, City and County officials met with the new owners. They considered the site to be a great asset because of the utilities and other resources available there, abundant water, sewer, natural gas and rail. Their first priority was to sell the facility to a user who would provide jobs. There had been significant interest in the site since the purchase was announced. The City and County Economic Development departments were working on those and past leads. The initial positive outcome of the 770 Ventures purchase was that now the property was for sale and the owners would work with interested parties unlike the last two years when potential companies found little cooperation dealing with the previous owner. The absolute last resort would be to demolish the facility, but the new owners say that would not be a financially good outcome for them. There were two separate structures beside the 1.3 million square foot larger facility. He was working with a new potential owner of one of those structures now. The Southern Virginia Mega Site at Berry Hill had seen a significant increase in interest. Support companies for a tenant there may be interested in locating in the area. There are almost 500 prime developable acres on the site. He said he would meet with one of the new owners the following day for an in-depth discussion about the property.

Council Member Grogan asked if the new owners would be willing to sell off portions of the property.

Mr. Dougherty replied yes, that was the problem over the last two years as there was no consideration of anything else. One of the situations was that Eden did not have many buildings of 50,000 or 100,000 square feet. There were 50,000 and 105,000 square foot buildings on the property that could be used. There was access to Summit Road and ample parking at both of those. He felt 770 Ventures LLC's main goal was to sell the property.

Council Member Epps asked if the owners would consider it if the City was interested in some of the land.

Mr. Dougherty replied possibly, as the owners were open to all options.

Mayor Hall felt with the property now legitimately for sale, things were headed in the right direction.

Council Member Carter asked if there were still people interested in the SGRTEX building.

Minutes of the regular January 15, 2019 meeting of the City Council, City of Eden:

Mr. Dougherty replied yes, and he had met the previous week with the interested party and the Bank of India people who held the deed of trust on the property. There were two companies who made offers on the property. There was a receiver assigned to the property who would do an appraisal to determine a proper value. It was one of those situations where the bank was wanting a high price and an offer came in lower but they would have to meet somewhere in between. With an accurate appraised value they could make counter offers. The first objective of the bank would be to sell it turnkey to get it operational as a textile facility. If that did not happen, it was certainly a very marketable building at 181,000 square feet. One of the companies that made an offer was legitimate with plans to operate there if they got the facility.

Council Member Hampton thanked The Boulevard merchants for all their hard work. She said the area really needed the City’s help if possible. The Leaksville EDDI gave The Boulevard snowflake lights for Christmas but they needed help getting electrical outlets installed to power them. The area was really trying.

Council Member Epps said he had complimented Council Member Hampton in an earlier conversation and told her that she was doing a great job with The Boulevard. He told the merchants at the meeting that he appreciated all they had done to make The Boulevard look great.

Council Member Carter thanked Coordinator of Tourism & Special Events Cindy Adams, Mr. Corcoran and staff for the great job on WinterFest. It was a great success and he would like to see it get even bigger in years to come. It was a good turnout for a first-time event.

ADJOURNMENT:

As there was no further business to discuss, a motion was made by unanimous consent to adjourn.

Respectfully submitted,

\_\_\_\_\_  
Deanna Hunt  
City Clerk

ATTEST:

\_\_\_\_\_  
Neville Hall  
Mayor



## Economic Development Department

January 17, 2019

To: The Honorable Mayor and Eden City Council

Thru: Brad Corcoran, City Manager

From: Mike Dougherty, Director of Economic Development

Re: Resolution in favor of accepting Rural Authority Grant

The City received a \$997,000 NC Department of Commerce Rural Authority Grant to upgrade New Street sewer facilities. This grant was announced in December of 2017 but the full application was not submitted in the fall of 2018 because the area was considered for a project that may have changed its scope. That issue was eliminated, the full application was submitted, and approval received on January 3, 2019.

The attached resolution confirms that the City will comply with the grant requirements and designates both City Manager Brad Corcoran and Director of Economic Development Mike Dougherty as designated to furnish information requested by appropriate State agencies, execute documents as required in connection with the application and comply with all Federal, State and local laws, rules, regulations and ordinances to the project and to the Federal and State grants.

If you have any questions, please let me know. Thank you.



## Resolution of the Council of the City of Eden February 2019

- WHEREAS, the NC General Assembly has determined that it is the policy of the State to stimulate economic activity and help create new jobs for citizens of the State by affording grants to local governmental units in the state's economically distressed counties for infrastructure improvements, and
- WHEREAS, the North Carolina Department of Commerce Rural Authority has offered a Rural Economic Development Grant to the City of Eden in the amount of \$ 997,000 for the construction of a sewer upgrade on New Street, and
- WHEREAS, the City of Eden intends to construct said project in accordance with the approved plans and specifications,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EDEN:

That City of Eden does hereby accept the Rural Authority offer of \$997,000.

That the City of Eden does hereby give assurance to the North Carolina Department of Commerce that all items specified in the grant offer will be adhered to.

That Brad Corcoran, City Manager, and successors so titled, and Mike Dougherty, Director of Economic Development and successors so titled are hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That City of Eden has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 19th day of February 2019 at Eden, North Carolina.

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Neville Hall  
Mayor

### CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting City Clerk of the City of Eden does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the City Council of the City of Eden duly held on the 19th day of February 2019 and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

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Deanna Hunt, City Clerk



***Eden Police Department***  
**308 B East Stadium Drive**  
**Eden, North Carolina 27288**

**Memorandum**

**To: The Honorable Mayor and City Council**  
**Through: Chief Greg Light**  
**From: Sgt. Jim Robertson**  
**Subject: Traffic Study Request in reference to changing the speed limit and adding stop signs in “The Village”**  
**Date: January 14<sup>th</sup>, 2019**

On January 9<sup>th</sup>, 2019 I spoke with a citizen who was concerned about the absence of speed limit signs and stop signs in “The Village” housing development.

After speaking with the citizen, I contacted Councilman Darryl Carter about the concern. Councilman Carter confirmed he would like a traffic study conducted

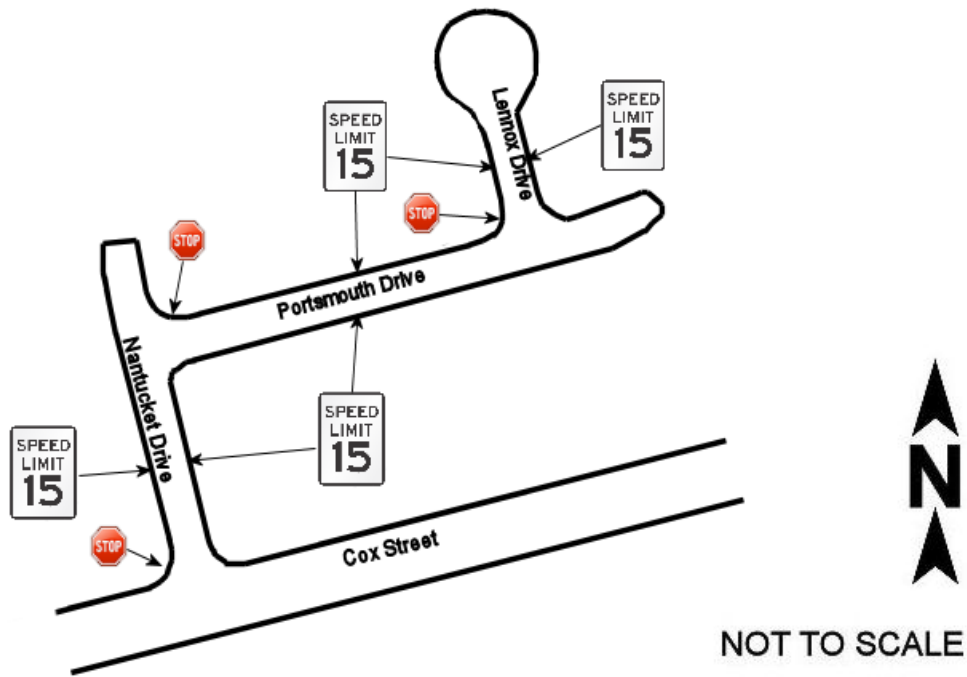
“The Village” is a housing development currently comprised of three adjoining roadways: Nantucket Drive, Portsmouth Drive, and Lennox Drive.

There are currently no stop signs at any of the intersections of these streets. Furthermore, there are currently twenty-four residential parcels with plans to build more.

Due to the density of this residential area and the foreseen growth, the Police Department’s recommendation is that stop signs be

erected at the indicated intersections and the speed limit of 35 MPH be reduced to 15 MPH for the following streets: Nantucket Drive from the intersection of Cox Street northward to the Dead End; Portsmouth Drive eastward to the intersection of Lennox Drive; Lennox Drive from the intersection of Portsmouth Drive northward to the Dead End/Cul-De-Sac.

Proposed Locations for Stop Signs and Speed Limit Signs



AN ORDINANCE DECLARING THE SPEED LIMIT ON LENNOX DRIVE FROM THE INTERSECTION OF PORTSMOUTH DRIVE TO THE DEAD END/CUL-DE-SAC

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, pursuant to authority granted by N.C.G.S. § 20-141(f) that:

Section 1 – The City Council of the City of Eden has determined that operation of a motor vehicle 35 miles per hour on Lennox Drive southward to Portsmouth Drive is greater than is reasonable and safe under the conditions existing upon Lennox Drive from Portsmouth Drive northward to the Dead End/Cul-De-Sac.

Section 2 – It shall be an infraction to operate a motor vehicle on Lennox Drive from Portsmouth Drive northward to Dead End/Cul-De-Sac in excess of fifteen (15) miles per hour.

Section 3 – Signs shall be placed, erected or installed on each side of Lennox Drive from Portsmouth Drive northward to the Dead End/Cul-De-Sac giving notice of the speed limit to traffic traveling in each direction on said Lennox Drive from Portsmouth Drive northward to the Dead End/Cul-De-Sac.

Section 4 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

Section 5 – All ordinances in conflict with this Ordinance are hereby repealed.

APPROVED, ADOPTED AND EFECTIVE, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

AN ORDINANCE DECLARING THE SPEED LIMIT ON NANTUCKET DRIVE  
FROM THE INTERSECTION OF COX STREET TO THE DEAD END

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, pursuant to authority granted by N.C.G.S. § 20-141(f) N.C.G.S. § 160A-301 that:

Section 1 – The City Council of the City of Eden has determined that operation of a motor vehicle 35 miles per hour on Nantucket Drive from the intersection of Cox Street to the Dead End is greater than is reasonable and safe under the conditions existing upon Nantucket Drive to the Dead End.

Section 2 – It shall be an infraction to operate a motor vehicle on Nantucket Drive to the Dead End in excess of fifteen (15) miles per hour.

Section 3 – Signs shall be placed, erected or installed on each side of Nantucket Drive from the intersection of Cox Street to the Dead End giving notice of the speed limit to traffic traveling in each direction on said Nantucket Drive from the intersection of Cox Street to the Dead End.

Section 4 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

Section 5 – All ordinances in conflict with this Ordinance are hereby repealed.

APPROVED, ADOPTED AND EFECTIVE, this \_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

AN ORDINANCE DECLARING THE SPEED LIMIT ON PORTSMOUTH DRIVE FROM THE INTERSECTION OF NANTUCKET DRIVE TO THE INTERSECTION OF LENNOX DRIVE

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, pursuant to authority granted by N.C.G.S. § 20-141(f) that:

Section 1 – The City Council of the City of Eden has determined that operation of a motor vehicle 35 miles per hour on Portsmouth Drive eastward to Lennox Drive is greater than is reasonable and safe under the conditions existing upon Portsmouth Drive from Nantucket Drive eastward to Lennox Drive.

Section 2 – It shall be an infraction to operate a motor vehicle on Portsmouth Drive from Nantucket Drive eastward to Lennox Drive in excess of fifteen (15) miles per hour.

Section 3 – Signs shall be placed, erected or installed on each side of Portsmouth Drive from Nantucket Drive eastward to Lennox Drive giving notice of the speed limit to traffic traveling in each direction on said Portsmouth Drive from Nantucket Drive eastward to Lennox Drive.

Section 4 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

Section 5 – All ordinances in conflict with this Ordinance are hereby repealed.

APPROVED, ADOPTED AND EFECTIVE, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_

Deanna Hunt, City Clerk

AN ORDINANCE REGULATING TRAFFIC AT THE INTERSECTION OF LENNOX  
DRIVE AND PORTSMOUTH DRIVE

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that:

Section 1 – It shall be an infraction for the driver of a motor vehicle travelling in a southerly direction of Lennox Drive to fail to stop said vehicle before entering the intersection of Lennox Drive and Portsmouth Drive in obedience to a stop sign erected at said intersection.

Section 2 – A stop sign shall be placed, erected or installed on the west side of Lennox Drive at its intersection with Portsmouth Drive directing traffic on Lennox Drive to stop before entering said intersection.

Section 3 – All Ordinances in conflict with this Ordinance are hereby repealed.

Section 4 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

APPROVED, ADOPTED AND EFECTIVE, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

AN ORDINANCE REGULATING TRAFFIC AT THE INTERSECTION OF NANTUCKET  
DRIVE AND COX STREET

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that:

Section 1 – It shall be an infraction for the driver of a motor vehicle travelling in a southerly direction of Nantucket Drive to fail to stop said vehicle before entering the intersection of Nantucket Drive and Cox Street in obedience to a stop sign erected at said intersection.

Section 2 – A stop sign shall be placed, erected or installed on the west side of Nantucket Drive at its intersection with Cox Street directing traffic on Nantucket Drive to stop before entering said intersection.

Section 3 – All Ordinances in conflict with this Ordinance are hereby repealed.

Section 4 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

APPROVED, ADOPTED AND EFECTIVE, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

AN ORDINANCE REGULATING TRAFFIC AT THE INTERSECTION OF PORTSMOUTH DRIVE AND NANTUCKET DRIVE

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that:

Section 1 – It shall be an infraction for the driver of a motor vehicle travelling in a westerly direction of Portsmouth Drive to fail to stop said vehicle before entering the intersection of Portsmouth Drive and Nantucket Drive in obedience to a stop sign erected at said intersection.

Section 2 – A stop sign shall be placed, erected or installed on the north side of Portsmouth Drive at its intersection with Nantucket Drive directing traffic on Portsmouth Drive to stop before entering said intersection.

Section 3 – All Ordinances in conflict with this Ordinance are hereby repealed.

Section 4 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

APPROVED, ADOPTED AND EFECTIVE, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk





## MEMORANDUM

**To:** Honorable Mayor and City Council

**Thru:** Brad Corcoran, City Manager

**From:** Tammie B. McMichael, Director of Finance & Personnel

**Date:** February 19, 2019

**Subject:** Request for Council to Consider Approval of Water and Sewer Flat Rates for 10" Meters

The City of Eden's current rate schedule does not provide water and sewer flat rates for a 10" meter. There has not been a need for this base rate in the past due to large industrial customers having a contract rate. Due to these industrial customers closing, we need to have these rates in place for new customers or until negotiated contract rates are requested. It is staff's recommendation that you approve the following flat rates for a 10" meter:

Inside the City 10" Water Flat Rate \$2,625.55 per month  
Outside the City 10" Water Flat Rate \$5,251.11 per month  
Inside the City 10" Sewer Flat Rate \$2,460.14 per month  
Outside the City 10" Sewer Flat Rate \$4,920.29 per month

I have attached a copy of the current rate schedule with the new flat rates in bold.

## RESIDENTIAL WATER

Meter Size
3/4 "
1"
1 1/4"
1 1/2"
1 3/4"
2"
3"
4"
6"
8"
10"

Per 1,000 Gallons

Usage Charge

1-Jan-16	
Inside City	Outside City
Monthly	Monthly
12.35	24.7
22.08	44.16
32.07	64.14
58.45	116.9
80.09	160.18
109	218
226.15	452.3
418.66	837.32
973.75	1,947.50
1706.35	3,412.70
<b>2,625.55</b>	<b>5,251.11</b>
5.09	10.18

## RESIDENTIAL SEWER

Meter Size
3/4 "
1"
1 1/4"
1 1/2"
1 3/4"
2"
3"
4"
6"
8"
10"

Per 1,000 Gallons

Usage Charge

1-Jan-16	
Inside City	Outside City
Monthly	Monthly
11.72	23.44
28.68	57.36
30.21	60.42
54.9	109.8
75.22	150.44
102.31	204.62
212.02	424.04
392.38	784.76
912.52	1,825.04
1598.85	3,197.70
<b>2,460.14</b>	<b>4,920.29</b>
6.50	13.00

## COMMERCIAL WATER

Meter Size
3/4 "
1"
1 1/2"

COMMERCIAL RATES

Per 1,000 Gallons

Usage Charge

1-Jan-16	
Inside City	Outside City
Monthly	Monthly
16.58	33.16
30.50	61.00
58.45	116.90
5.09	10.18

## COMMERCIAL SEWER

Meter Size
3/4 "
1"
1 1/2"

COMMERCIAL RATES

Per 1,000 Gallons

Usage Charge

1-Jan-16	
Inside City	Outside City
Monthly	Monthly
15.68	31.36
28.74	57.48
76.82	153.64
10.20	20.40

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## CITY OF EDEN – MEMORANDUM

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**To:** HONORABLE MAYOR AND CITY COUNCIL

**THRU:** BRAD CORCORAN, CITY MANAGER

**FROM:** ERIN GILLEY, CITY ATTORNEY AND TAMMIE MCMICHAEL, DIRECTOR OF FINANCE

**DATE:** FEBRUARY 5, 2019

**SUBJECT:** UNCOLLECTIBLE CODE ENFORCEMENT FEES

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After review of the following accounts, it is evident that these are legally uncollectible. Based upon this and upon recommendation of our accountant Judy Rouse, we request that the following amounts be written off so they will no longer show as delinquent accounts receivable. Continuing to include such amounts in the financial records of the City could result in a distorted age trial balance.

1. The property at 628 Monroe Street was the subject of a foreclosure proceeding by the Rockingham County Tax Department. The proceeds were less than the taxes due; therefore, the City of Eden did not receive payment for the code enforcement fees due. Foreclosure is the sole remedy for debt owed and must be removed.

Account Number: 21018  
Owner: Jonathan K. Wise  
Amount Due: \$30,436.40

The removal of this line item will more accurately reflect the amounts that are actually due and collectible by the City of Eden.

If you have any questions, please let us know.



## Engineering Department

P.O. Box 70, Eden, NC 27289-0070  
308 E. Stadium Drive, Eden, NC 27288  
(336) 623-2110  
Fax (336) 623-4041



# MEMO

To: Honorable Mayor and City Council

Through: Brad Corcoran, City Manager

From: Bev O'Dell, Director of Engineering

Cc: Deanna Hunt, City Clerk  
Kelly K. Stultz, AICP, Director of Planning & Inspections

Date: February 7, 2019

**Re: Consideration of Proposed Booster Pump Station Replacement  
by Dan River Water, Inc. on NC 700**

Mike Lemons, Utility Supervisor for Dan River Water, Inc., is requesting that City Council grant approval for the proposed replacement of their booster pump station located on the east side of NC 700, about 325 feet southeast of the intersection with Chumney Loop. Construction plans for the project are being prepared by William E. Mitchell Associates. Approval of the proposed improvement is being requested in accordance with the water purchase agreement between the City of Eden and Dan River Water, Inc.

The improvements are intended to replace aging equipment and improve the reliability of delivering water to existing customers. The new pump station building will be located on a small lot adjacent to the existing booster pump station location.

Enclosed is a copy of the brief letter from Mike Lemons, along with a few drawings showing the proposed location of the new pump station building in relation to their existing pumping station.

It is recommended that the proposed improvements for the Dan River Water, Inc. facility on NC 700 be allowed to take place. If you have any questions, please do not hesitate to contact me, or Mike Lemons, prior to the February City Council meeting.

Thanks for reviewing and considering this matter.



## DAN RIVER WATER, INC.

610 PATRICK STREET  
EDEN, NORTH CAROLINA 27288  
(336) 623-2526  
FAX: (336) 623-1498

Please have Dan River Water Inc, on the City Council meeting agenda for the ~~February~~ meeting. Dan River needs approval for the ~~Highway~~ 700 Water Booster Pump Station.

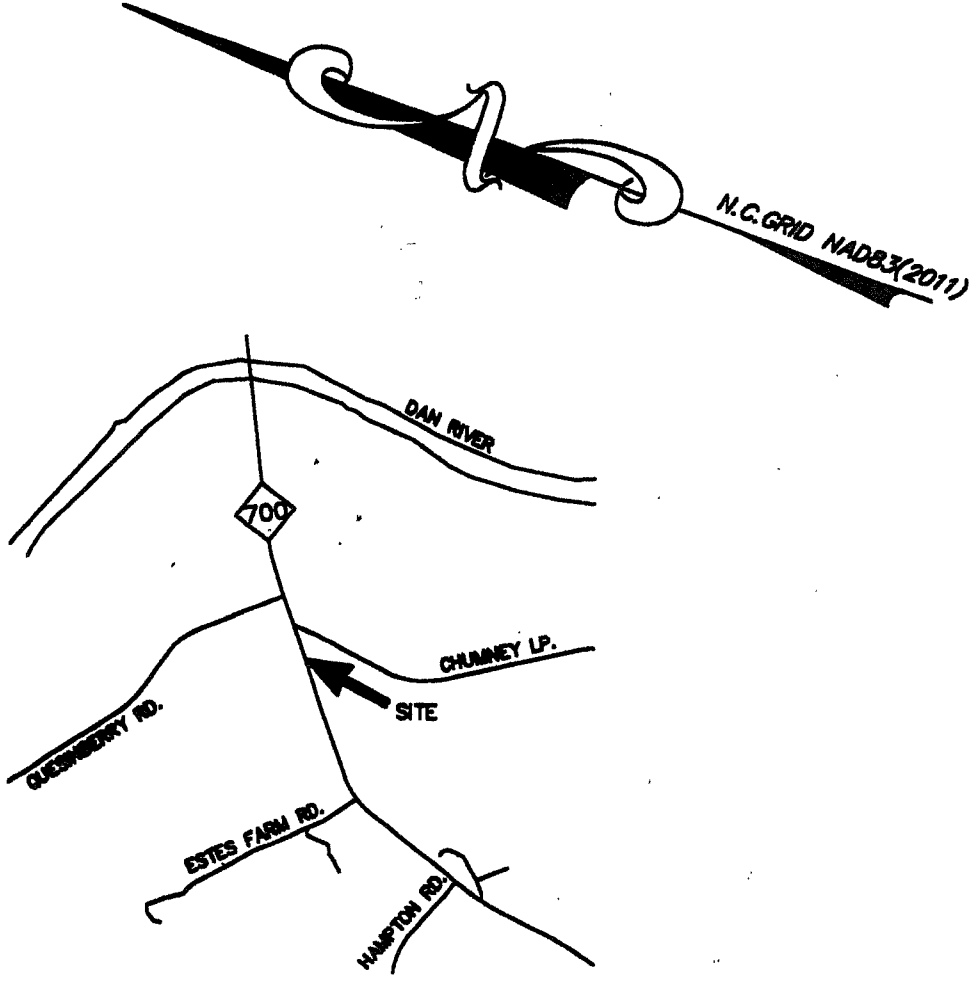
Best Regards,

Mike Lemons

Dan River Water Inc.

Utility Supervisor

*Mike Lemons*



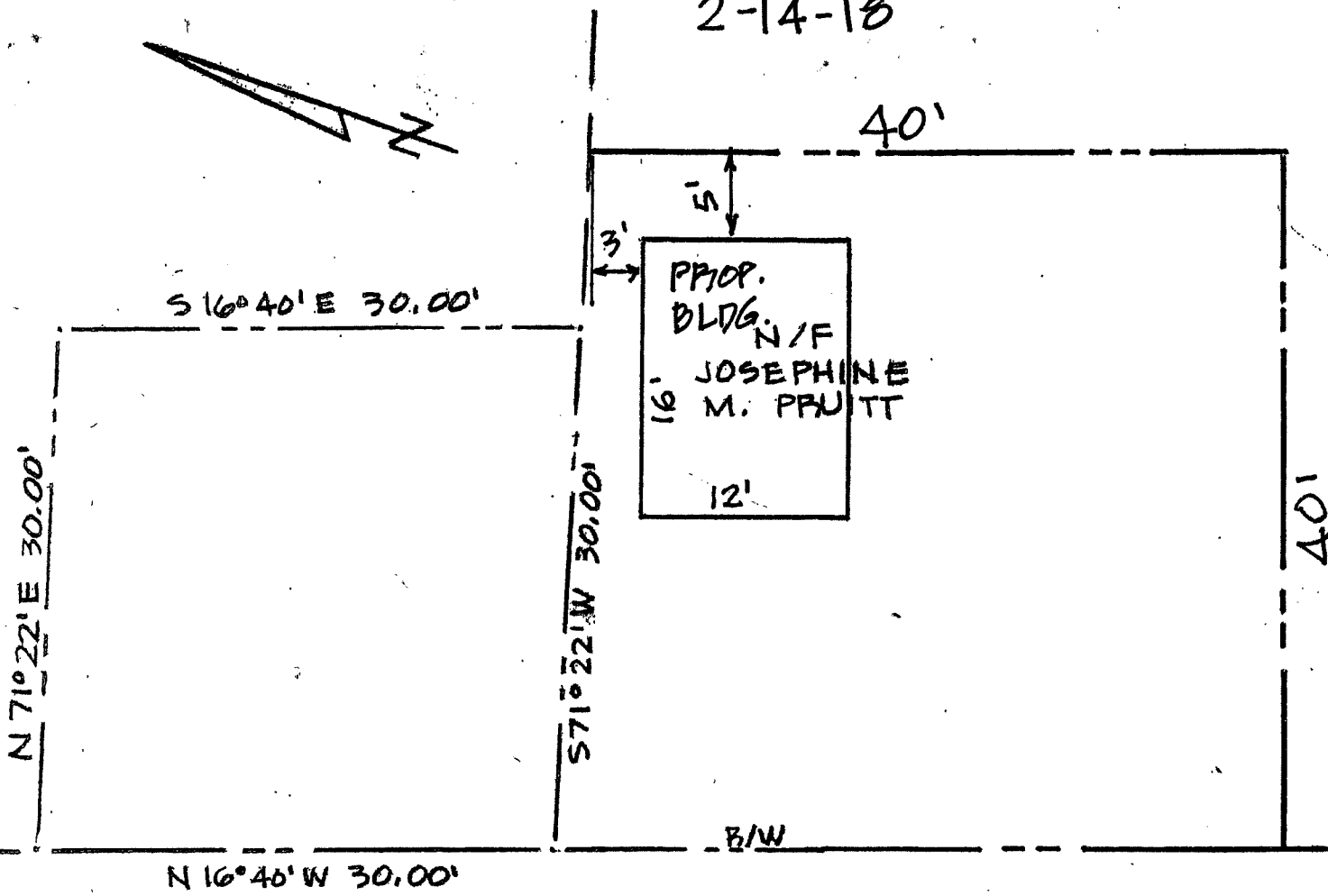
"VICINITY MAP"  
NO SCALE

DATE: MARCH 26, 2018  
 SCALE: 1"=20' (HORIZONTAL)  
 1"=2' (VERTICAL)  
 REVISED:

**WILLIAM E. MITCHELL ASSOC.**  
 CIVIL ENGINEERING ~ SURVEYING ~ LAND PLANNING  
 1903 C ASHWOOD COURT  
 GREENSBORO, N.C. 27455  
 336-540-0060

PRELIM. LAYOUT

2-14-18



N. C. HWY. 700

WE ASKED KELLY STULTZ TO LOOK AT BLDG. SETBACKS FOR COMPLIANCE WITH CITY ZONING, ETC. - SHE WAS O.K. WITH THEM

Bill M.

5001 N.C. HWY. 700

DAN RIVER WATER, INC.

WENTWORTH TOWNSHIP  
ROCKINGHAM CO., N.C.  
SCALE: 1" = 10'

PIN: 890900083109  
PARCEL: 176437

530

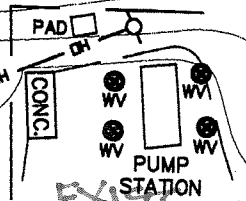
(132.10  
91.24)

535

PHILLIP B. PRUITT  
and others  
D.B.1092-PG.1574

540

I.S. S18°26'45"E 40.0' I.S.



0.036 Ac.  
(1,571 Sq. ft.)  
PROPOSED

40" PIN OAK  
STANDBY POWER CONDUIT

R/W WM

DAN RIVER WATER, INC.  
D.B.830-PG.89

CONTROL CORNER  
I.S. (FLUSH)  
N: 998,177.22  
E: 1,800,304.24  
NAD83(2011)

GRAVEL

0.83'

N19°27'16"W

38.55' (OVERHEAD CABLE)

N68°28'56"E 40.05'

S70°33'15"W 40.0'

545

EP

EP

R/W

N.C. HIGHWAY

1" = 20'



# Memo

**To:** Honorable Mayor and City Council  
**From:** Paul Dishmon Director of Municipal Services  
**Thru:** Brad Corcoran, City Manager  
**Date:** February 11, 2019  
**Re:** Surplus Items

---

Municipal Services has items that we would like to have declared surplus and be advertised for sale on Gov deals auction site.

The items are as follows:

- surplus low band radios
- a 2002 Ford Ranger
- surplus of out dated stop lights

Thank you for your consideration in this request. If you have any question please let me know.

Thanks

Paul



**RESOLUTION AUTHORIZING THE DISPOSAL  
OF PERSONAL PROPERTY BY PUBLIC AUCTION**

**WHEREAS**, the City of Eden owns certain surplus equipment and property listed below in Exhibit A and hereinafter referred to as “the property”; and

**WHEREAS**, the City of Eden desires to dispose of the property by public auction as authorized by North Carolina General Statute §160A-270; and

**WHEREAS**, pursuant to North Carolina General Statute §160A-270 (c), the City Council must authorize the use of the public electronic auction service and the means of publication; and

**WHEREAS**, the property will be sold at a public electronic auction to the highest bidder excepting any reserve placed on the property. The property will be listed at [www.govdeals.com](http://www.govdeals.com) starting on February 25, 2019 at 8:00 a.m. and will be posted continuously until it is sold; and

**WHEREAS**, The City desires to publish this notice solely by electronic means via the City of Eden website; and

**WHEREAS**, Paul Dishmon, Municipal Services Director, is an appropriate city official to dispose of the property by public auction.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council for the City of Eden that the property listed above be disposed of by public auction, that the publication of this sale be solely by electronic means, and that Paul Dishmon be authorized to dispose of the property by public auction.

APPROVED, ADOPTED AND EFFECTIVE this 19th day of February, 2019.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

## Exhibit A

<u>Approximately 30</u>	Low band radios
<u>1</u>	2002 Ford Ranger
<u>Approximately 30</u>	Out-of-date stoplights
<u>Approximately 30</u>	Broken stoplights

***Eden Police Department***  
**308 B East Stadium Drive**  
**Eden, North Carolina 27288**

**Memorandum**

**To: The Honorable Mayor and City Council**  
**Through: Chief Greg Light**  
**From: Sgt. Jim Robertson**  
**Subject: Traffic Study Request in reference Signs to Regulate**  
**Traffic/Parking in the Bridge Street Municipal**  
**Parking Lot**  
**Date: February 12, 2019**

On January 30<sup>th</sup>, 2019 the Police Department received a traffic study request from City Council Member Jim Burnette in reference to Signs Needed in the Bridge Street Municipal Parking Lot.

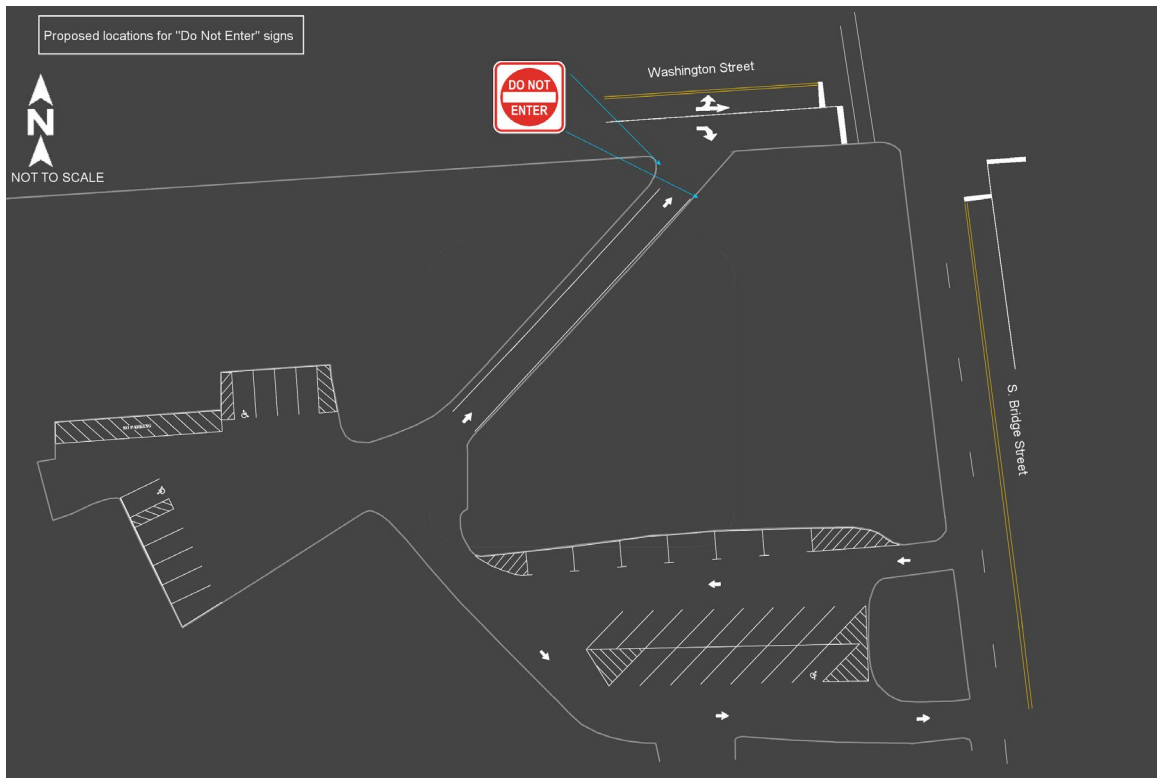
The parking lot is situated behind the businesses (south) of Washington Street and adjoins S. Bridge Street to the west.

The parking lot has been recently paved and pavement markings have been made to facilitate parking and traffic flow. The new markings direct traffic to flow one way in the alleyway northward to Washington Street. Also, several areas are now striped for no parking or conditional parking and will require signage to be enforceable.

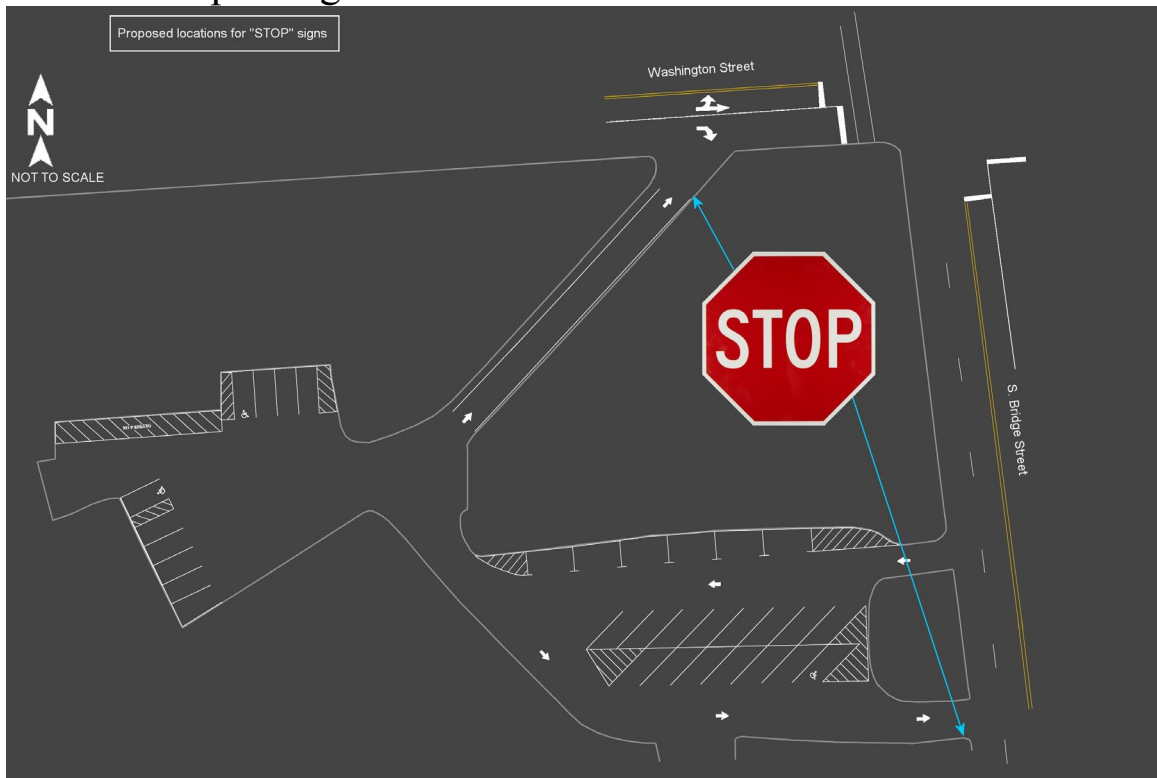
The orientation and design of the new pavement markings will necessitate the placement, erection, or installation of several signs within the parking lot and connecting alleyway.

In order to provide for the safety and security of citizens utilizing the parking lot, the Police Department's recommendations are as follows:

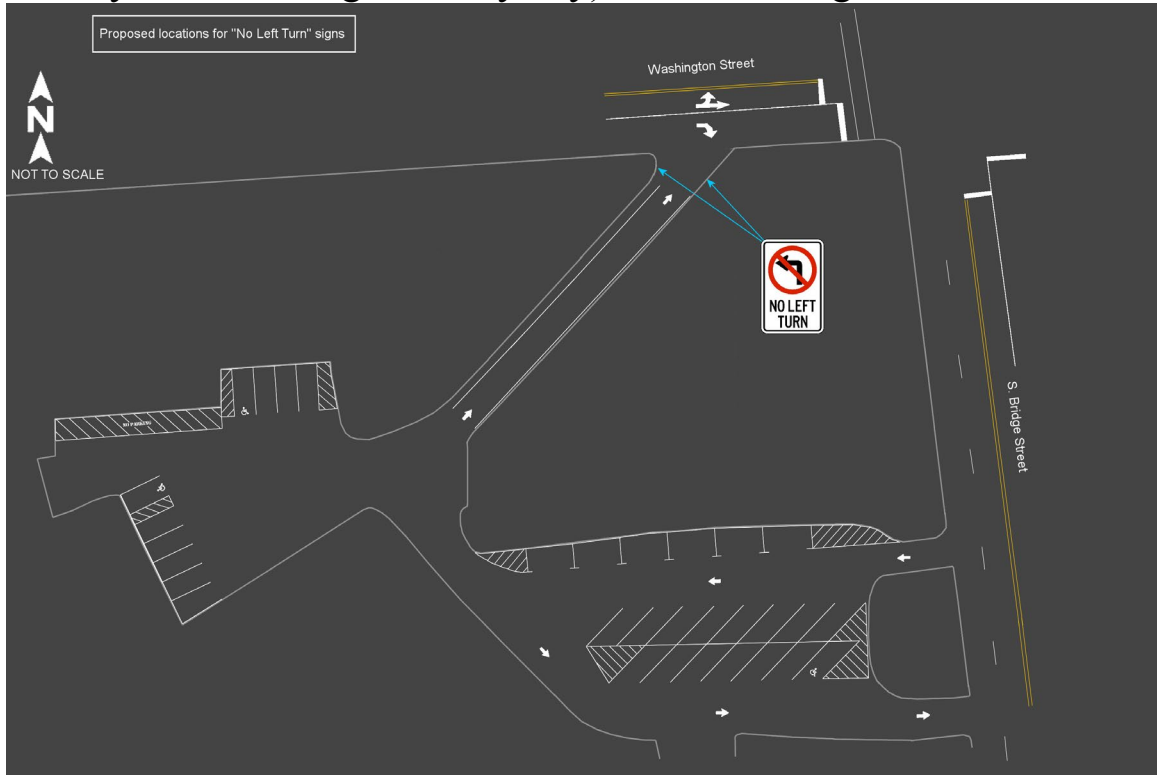
- 1) Two (2) "DO NOT ENTER" signs need to be placed, erected, or installed at the exit of the alleyway onto Washington Street to inform motorists that the alleyway is not an entrance.



2) One (1) “STOP” sign needs to be placed, erected, or installed on the east side of the alleyway at the intersection of Washington Street directing motorists to stop before proceeding onto Washington Street from the alleyway. Another “STOP” sign needs to be placed, erected or installed at the exit from the lower lot onto S. Bridge Street directing motorists to stop before proceeding onto S. Bridge Street from the parking lot.

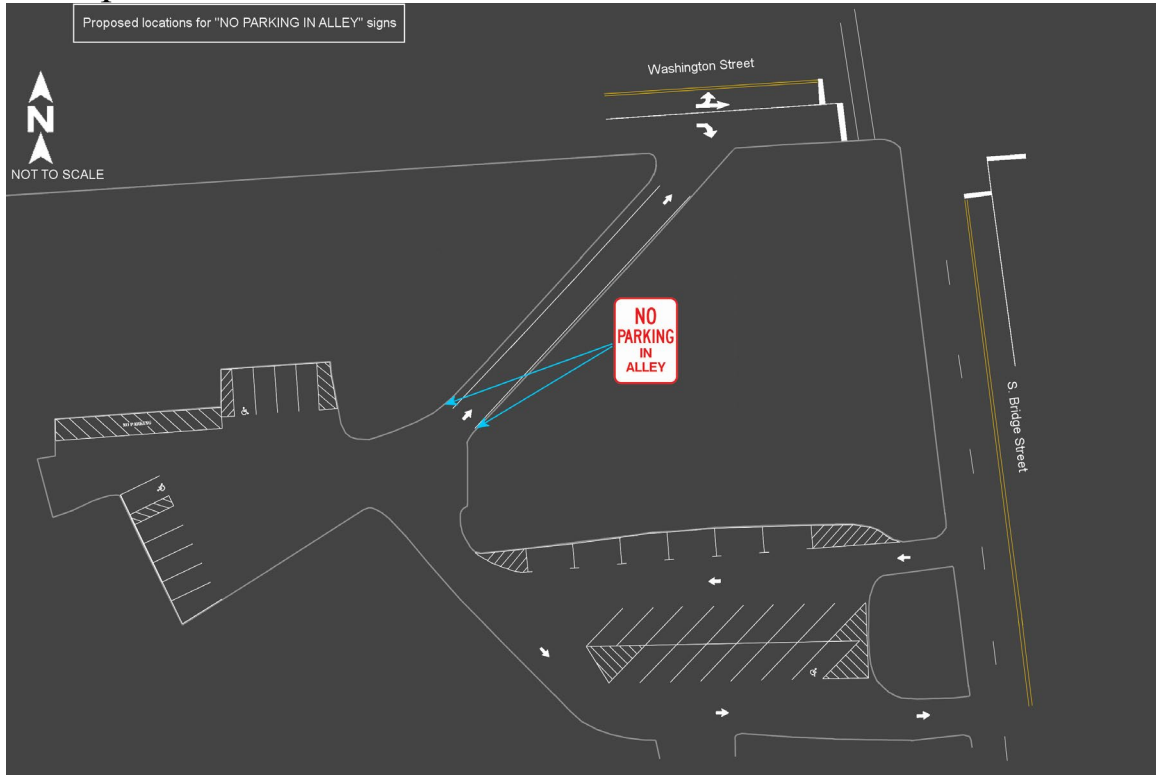


3) Two (2) “NO LEFT TURN” signs need to be placed, erected, or installed on both sides of the alleyway at the intersection of Washington Street to direct motorists traveling north through the alleyway that no left turn is allowed (right turn only when exiting the alleyway) onto Washington Street.

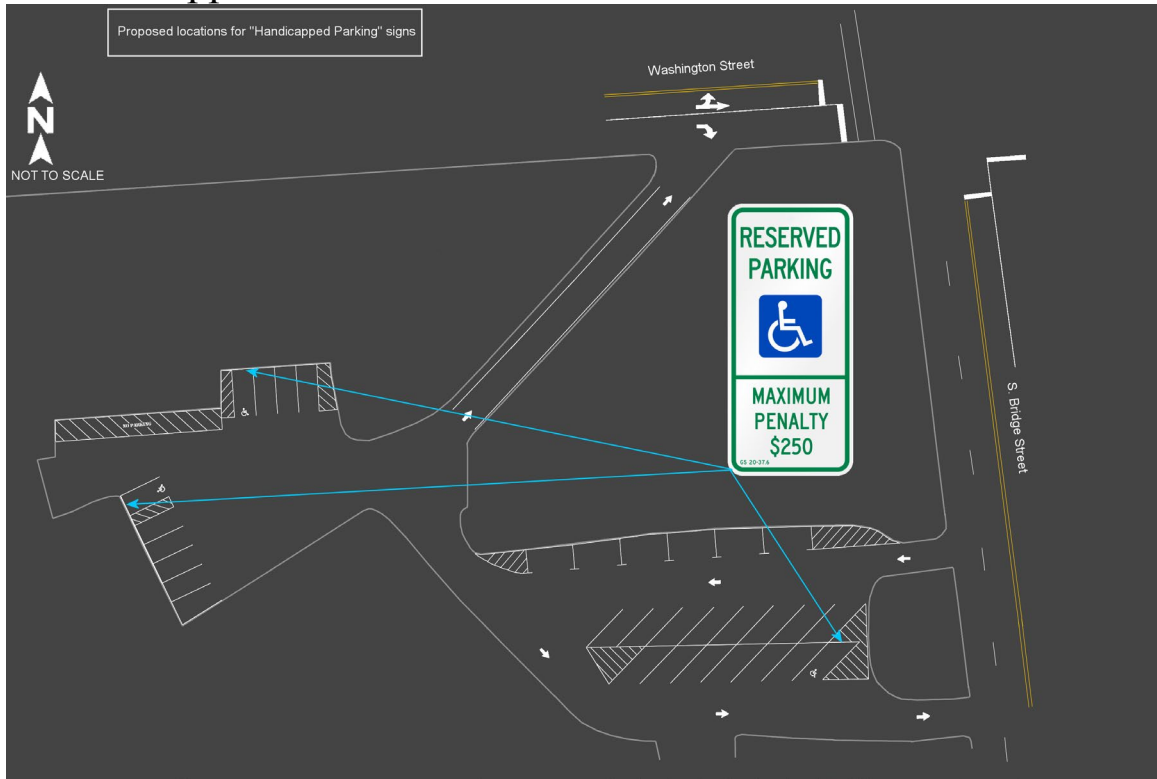




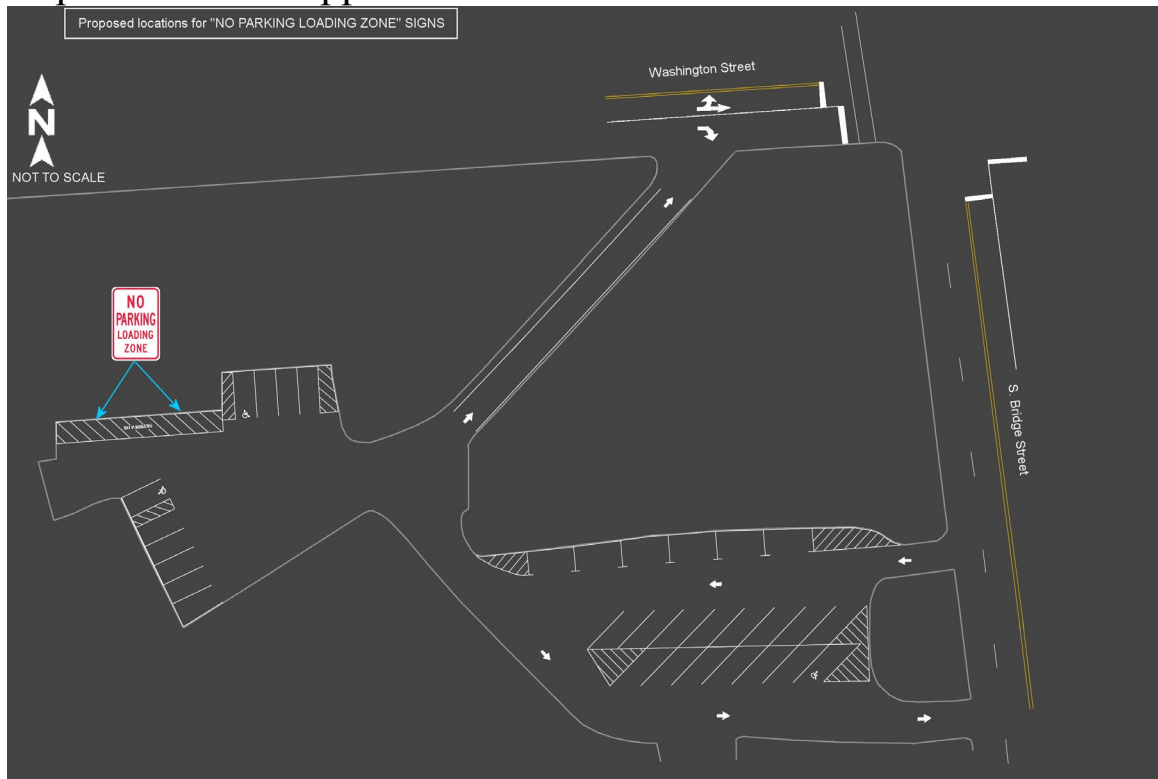
- 4) Two (2) “NO PARKING IN ALLEY” signs need to be placed, erected, or installed on both sides of the alleyway at its south-most point to alert motorists that parking in the alleyway is forbidden due to its narrow nature and presence of pedestrian walk lane.



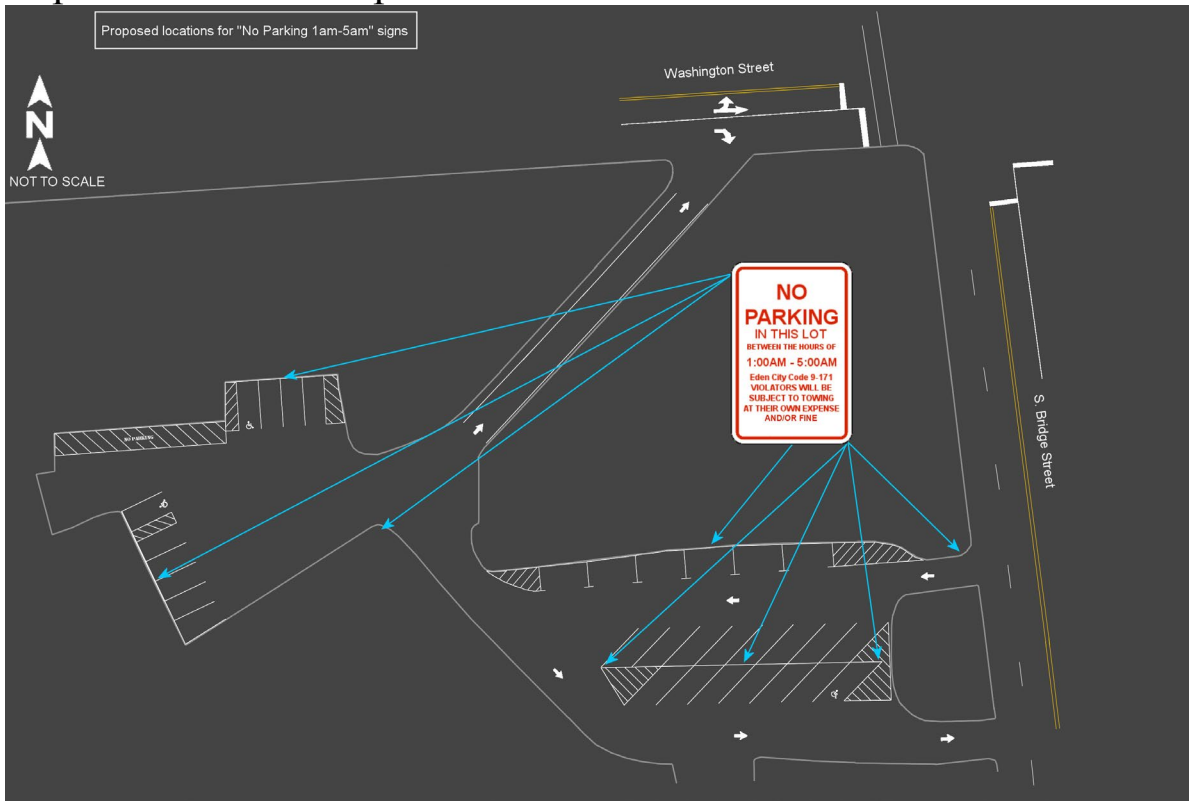
5) Three (3) “RESERVED PARKING” handicapped/disabled parking signs need to be placed, erected, or installed at the parking spots marked/striped as reserved for handicapped/disabled motorists.



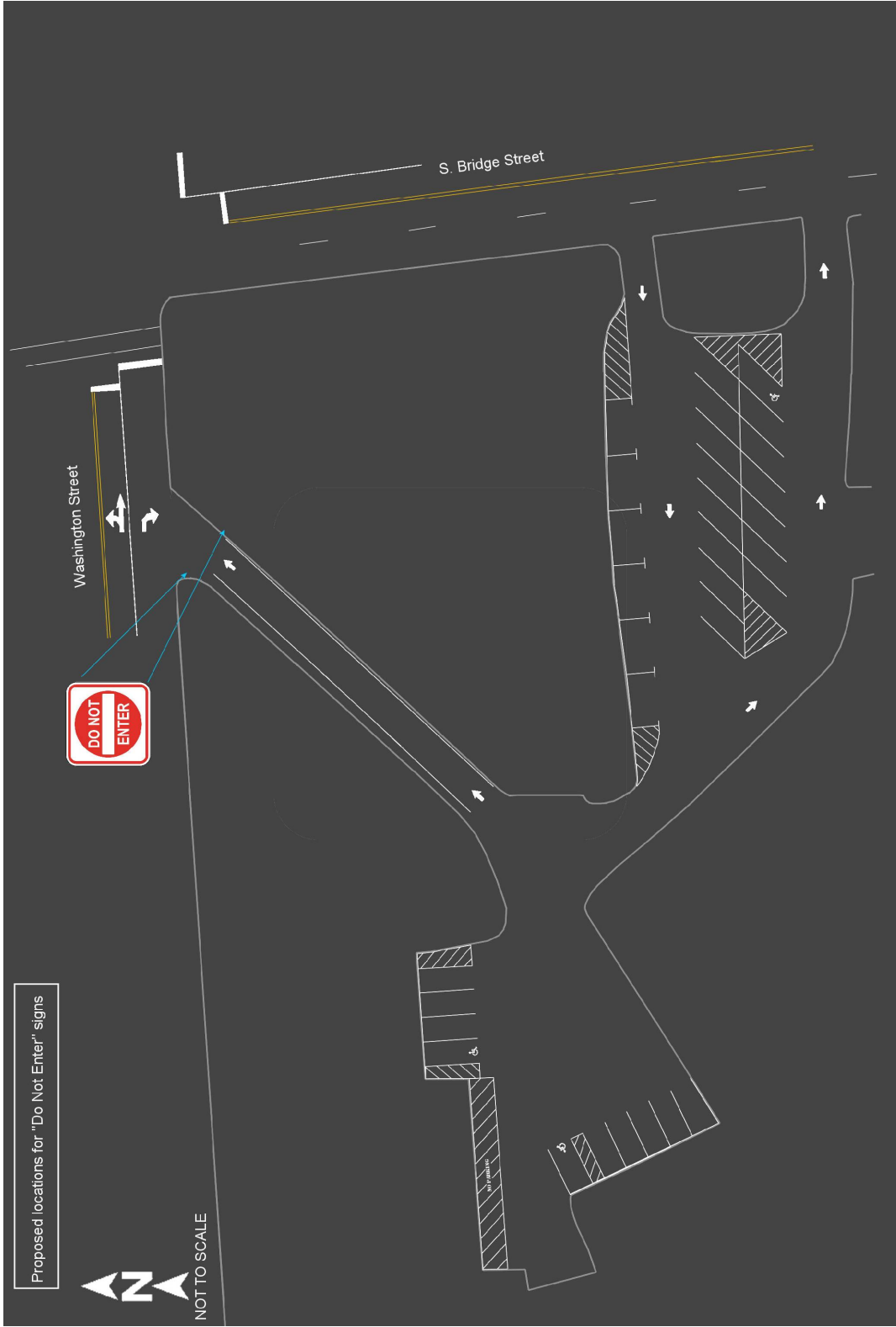
- 6) Two (2) “NO PARKING LOADING ZONE” signs need to be placed, erected, or installed along the northern edge of the pavement marked as “NO PARKING” at the western-most portion of the upper lot.

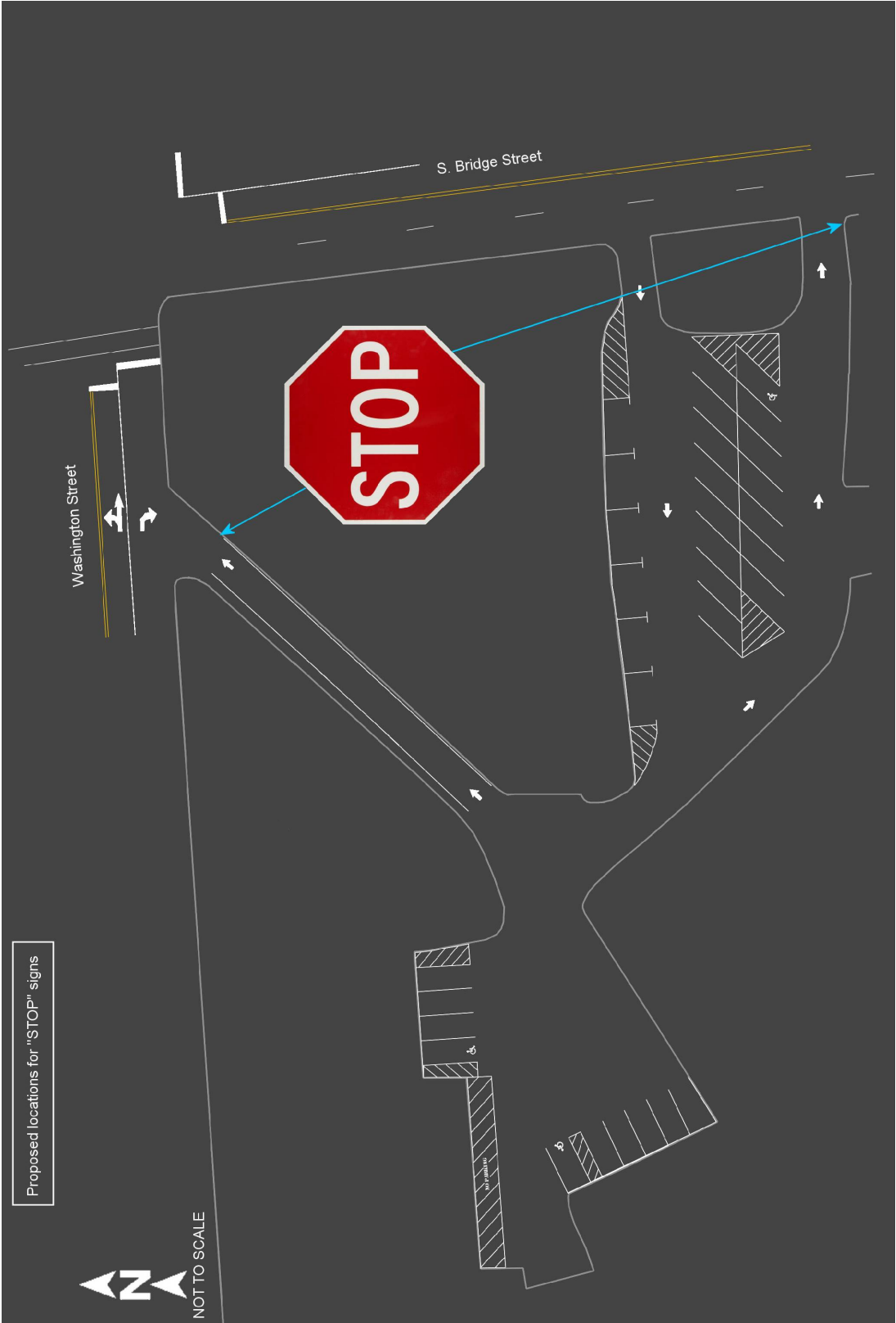


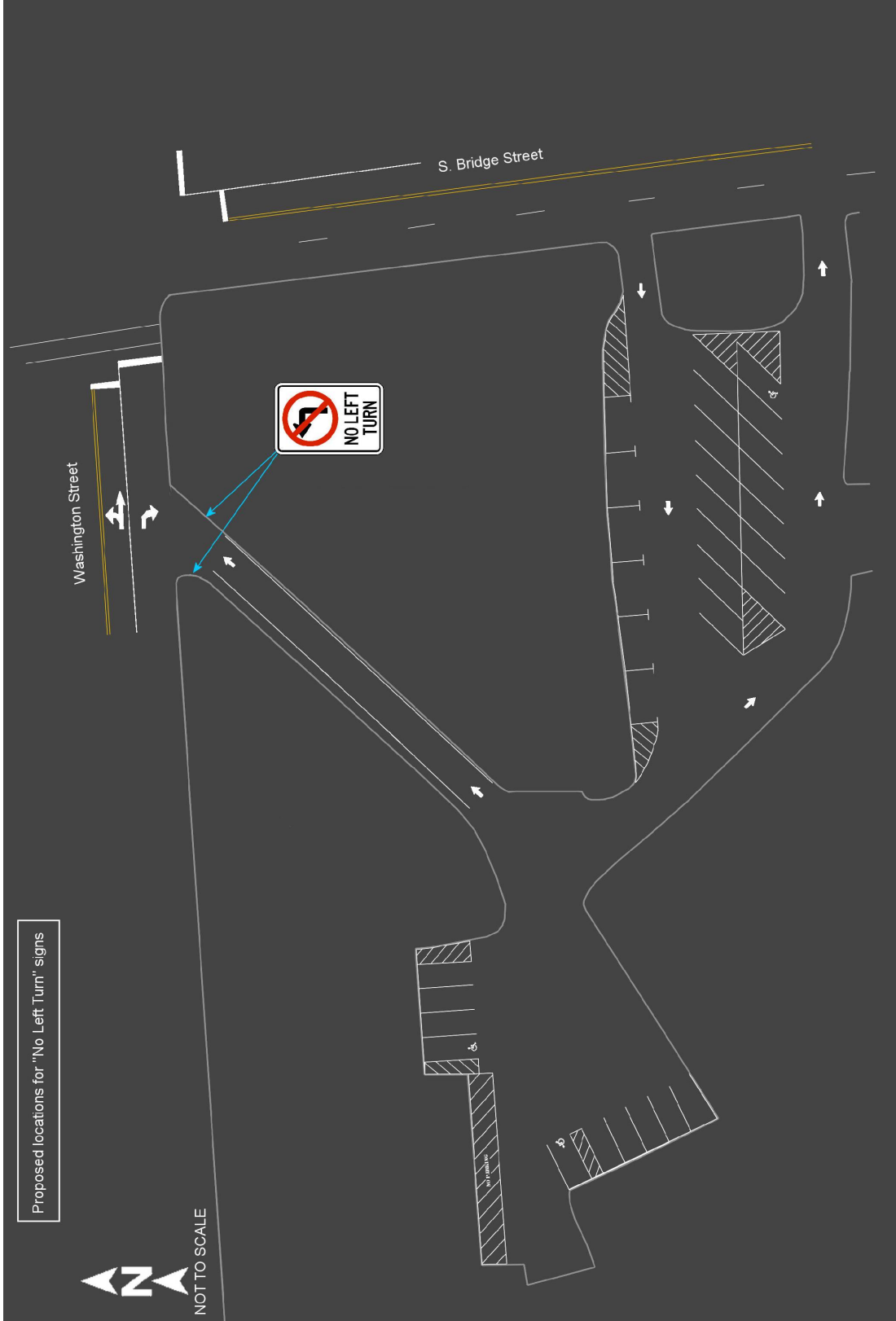
7) Finally, if the City Council directs that the hours of parking are to be regulated then the Police Department recommends that signs notating the hours of forbidden parking, citing the City Code, and listing possible consequences for violation should be placed, erected, or installed at highly visible locations throughout the lot. In order to conform with the format of other municipal signs already in place in another lot, the Police Department suggests signage and locations as provided in the map below.



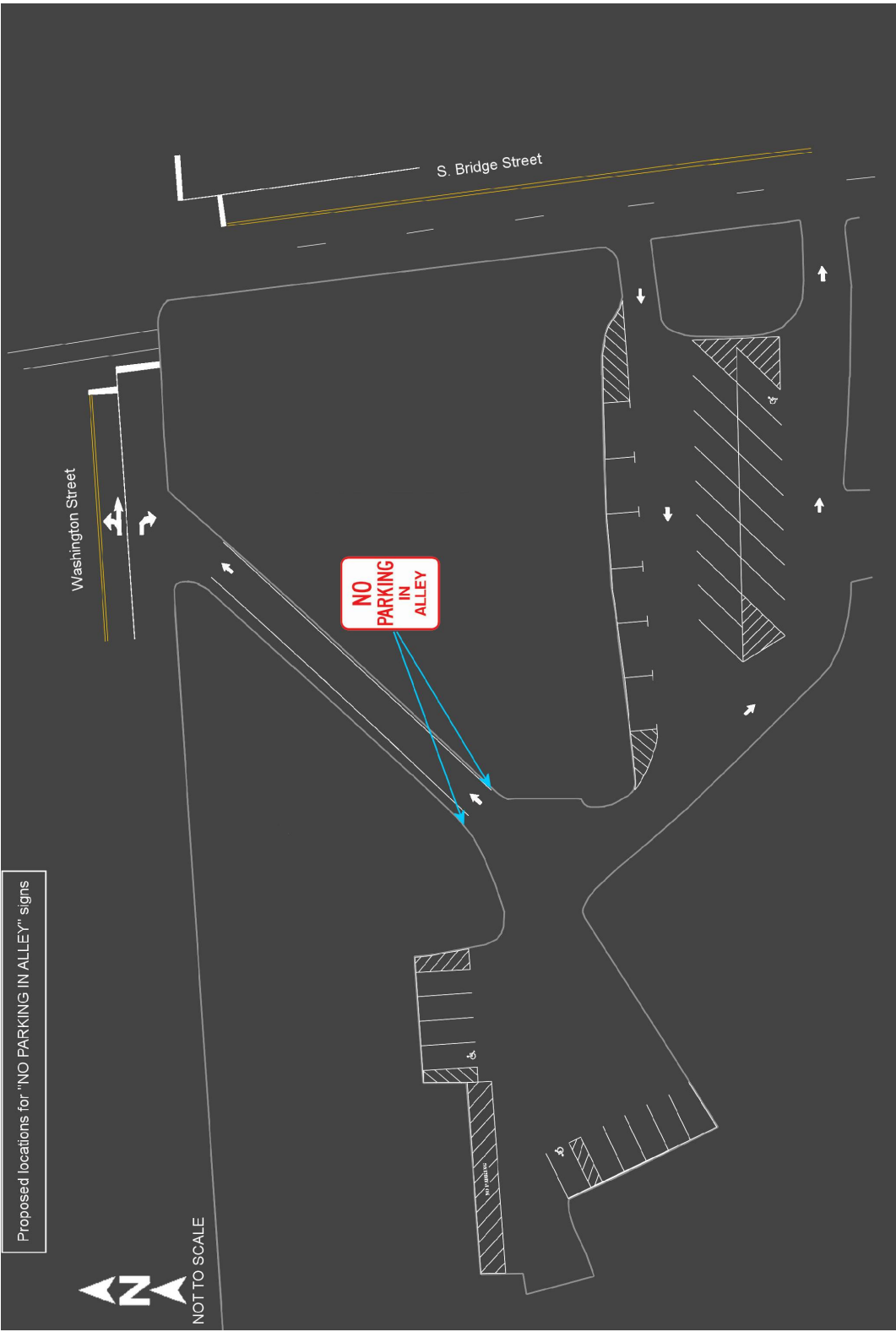
## MAPS APPENDIX

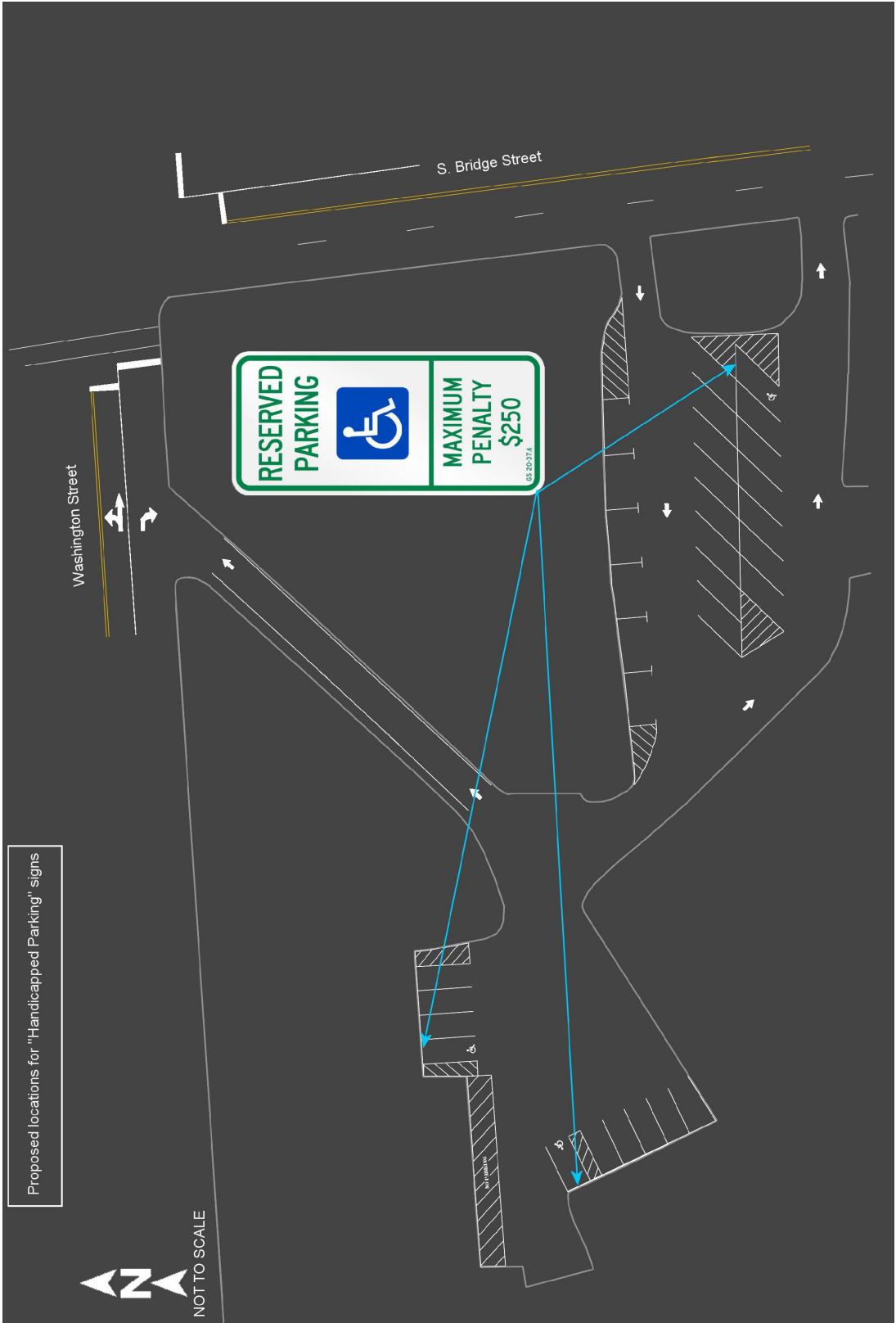












Proposed locations for "Handicapped Parking" signs

Washington Street

S. Bridge Street

RESERVED  
PARKING



MAXIMUM  
PENALTY  
\$250

CS 20-37A

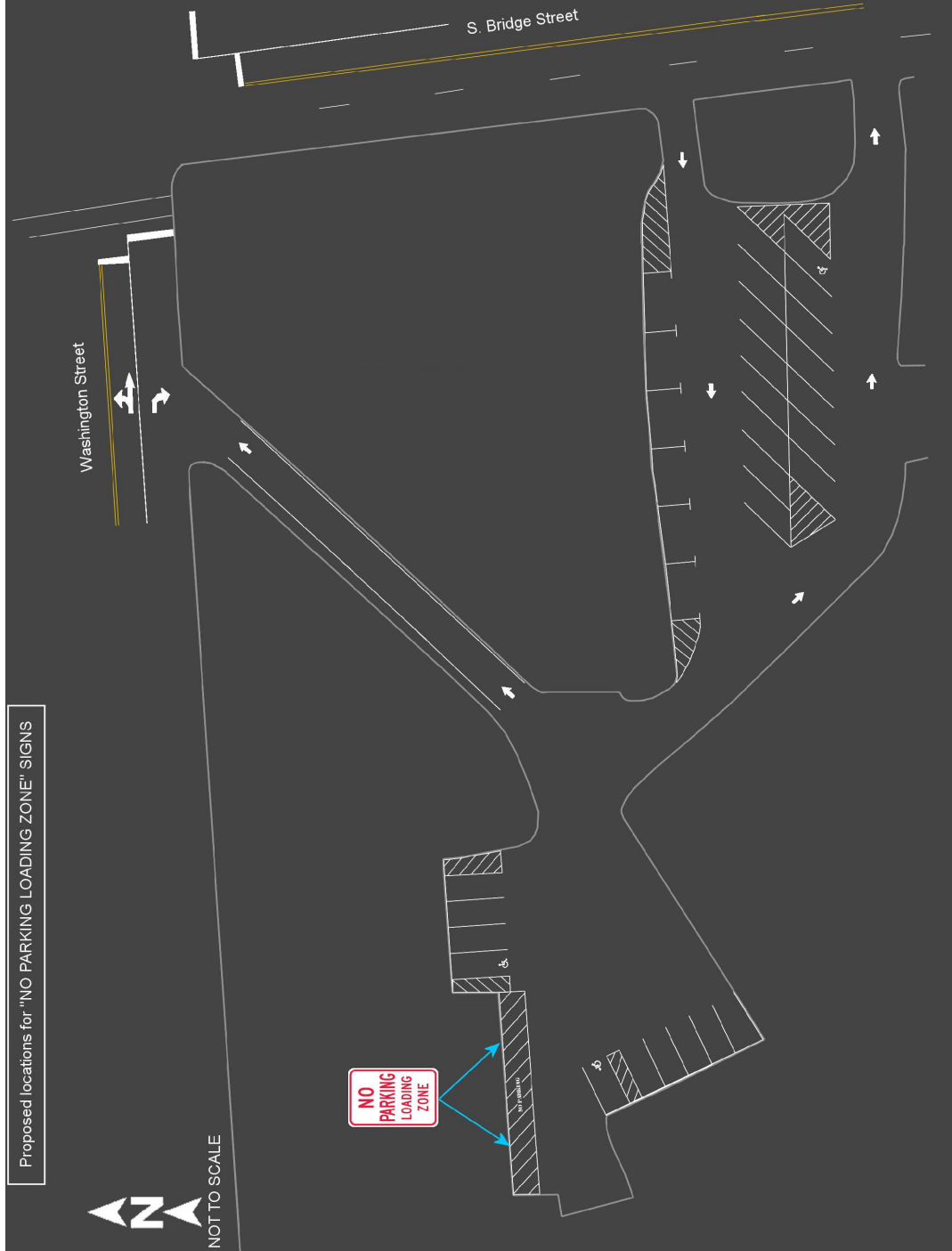


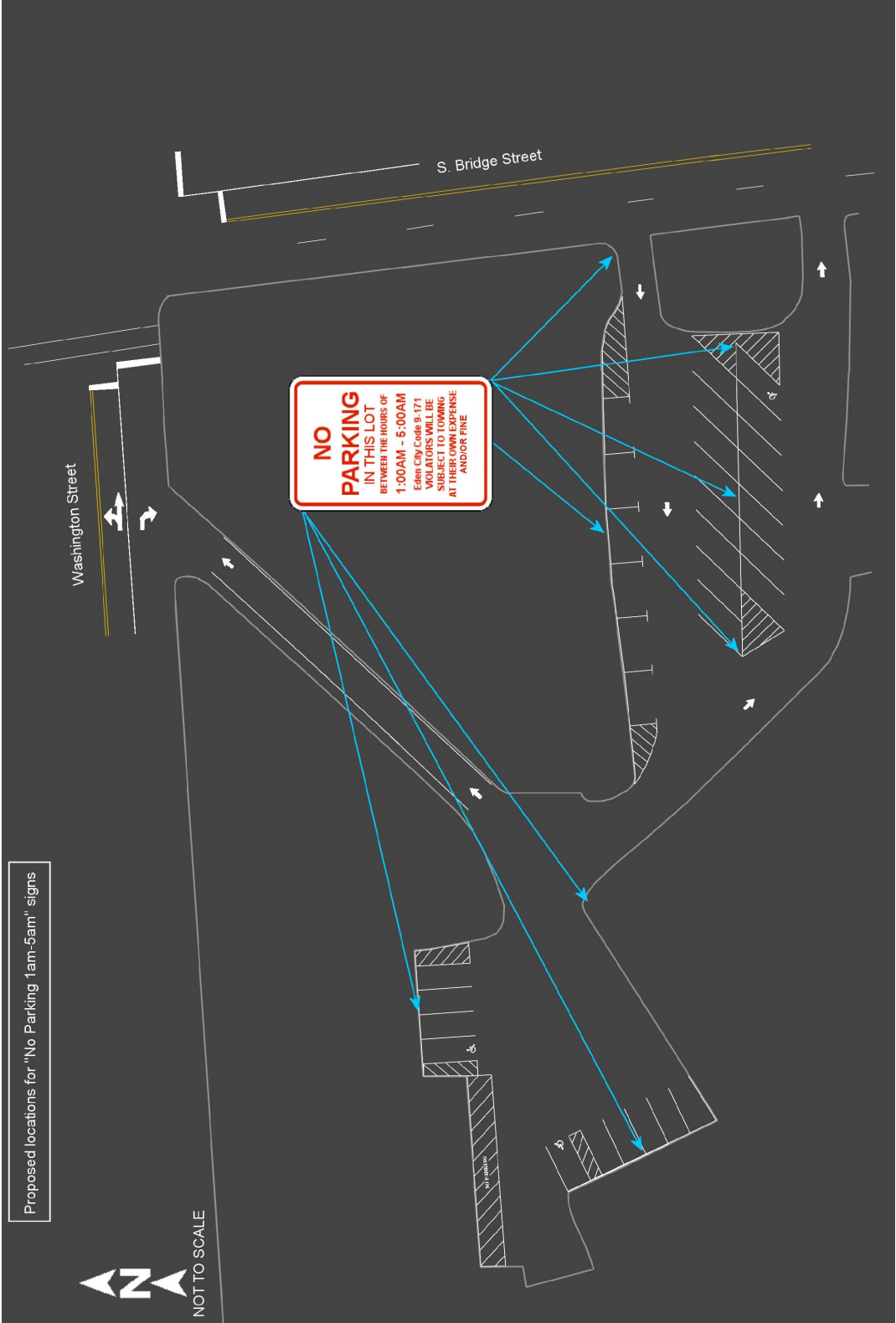
NOT TO SCALE

Proposed locations for "NO PARKING LOADING ZONE" SIGNS



NOT TO SCALE





AN ORDINANCE REGULATING TRAFFIC AT INTERSECTION OF THE BRIDGE STREET MUNICIPAL LOT EXIT AND S. BRIDGE STREET

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that:

Section 1 – It shall be an infraction for the driver of a motor vehicle travelling in a easterly direction of the Bridge Street Municipal Lot Exit to fail to stop said vehicle before entering the intersection of the Bridge Street Municipal Lot Exit and S. Bridge Street in obedience to a stop sign erected at said intersection.

Section 2 – A stop sign shall be placed, erected or installed on the south side of the Bridge Street Municipal Lot Exit at its intersection with S. Bridge Street directing traffic on the Bridge Street Municipal Lot Exit to stop before entering said intersection.

Section 3 – All Ordinances in conflict with this Ordinance are hereby repealed.

Section 4 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

APPROVED, ADOPTED AND EFECTIVE, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

AN ORDINANCE REGULATING TRAFFIC AT INTERSECTION THE BRIDGE STREET  
MUNICIPAL LOT ALLEY AND WASHINGTON STREET

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that:

Section 1 – It shall be an infraction for the driver of a motor vehicle travelling in a northerly direction of the Bridge Street Municipal Lot Alley to fail to stop said vehicle before entering the intersection of the Bridge Street Municipal Lot Alley and Washington Street in obedience to a stop sign erected at said intersection.

Section 2 – A stop sign shall be placed, erected or installed on the east side of the Bridge Street Municipal Lot Alley at its intersection with Washington Street directing traffic on the Bridge Street Municipal Lot Alley to stop before entering said intersection.

Section 3 – All Ordinances in conflict with this Ordinance are hereby repealed.

Section 4 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to conform with this Ordinance.

APPROVED, ADOPTED AND EFECTIVE, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk

AN ORDINANCE REGULATING TRAFFIC FLOW AT THE INTERSECTION OF THE  
BRIDGE STREET MUNICIPAL LOT ALLEY EXIT AND WASHINGTON STREET

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina,  
pursuant to authority granted by N.C.G.S. § 20-160A-300 that:

Section 1 – It shall be unlawful for the driver of a vehicle to proceed in a southerly  
direction into and/or through the Bridge Street Municipal Lot Alley.

Section 2 – It shall be unlawful for the driver of a vehicle proceeding in a northerly  
direction on the Bridge Street Municipal Lot Alley to turn left (west) onto Washington Street  
upon exiting the Bridge Street Municipal Lot Alley.

Section 3 – Two (2) “DO NOT ENTER” signs shall be placed, erected or installed on  
each side of the Bridge Street Municipal Lot Alley exit at the intersection of Washington Street  
directing traffic that is proceeding or attempting to proceed in a southerly direction from  
Washington Street that such action is prohibited.

Section 4 – Two (2) “NO LEFT TURN” signs shall be placed, erected or installed on  
each side of the Bridge Street Municipal Lot Alley exit at the intersection of Washington Street  
directing northerly traffic that is proceeding or attempting to proceed left (west) onto  
Washington Street that such an action is prohibited.

Section 5 – The OFFICIAL TRAFFIC MAP of the City of Eden is hereby amended to  
conform with this Ordinance.

Section 6 – All ordinances in conflict with this Ordinance are hereby repealed.

APPROVED, ADOPTED AND EFECTIVE, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF EDEN

By: \_\_\_\_\_  
Neville Hall, Mayor

ATTEST:

\_\_\_\_\_  
Deanna Hunt, City Clerk